

## **TRABAJO FIN DE GRADO**



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# **Current Tourism Trends in South Korea: A SWOT Analysis**

**Grado en Turismo**

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## **Abstract**

This study aims to explore South Korea's tourism industry, which is becoming a significant portion of the country's economy. It briefly appraises its history, current status, and trends through case-study design and SWOT matrix to further understanding of the business.

The overall structure of the study takes the form of four chapters, including the chapter introducing the country. The second chapter outlines the history of its tourism, ranging from historical events to social phenomena from the 1960s to the present day.

The third chapter presents the trends of tourism in South Korea, focusing on some of its main tourism products, and looks at how they have changed over the past years. Mainly based on the findings that the earlier chapters survey, the fourth chapter analyses the overall tourism sector with the SWOT matrix. It aims to find out aspects to consider in shaping plans for tourism development.

Finally, this study comes down to the fourth chapter, which gives a summary and critique of the results, including a subjective opinion of the researcher.

**Keywords:** Security-themed tourism, Korean wave, DMZ, Temple-stay program, Korea Tourism Organization

## Resumen

Este estudio tiene como objetivo indagar en el turismo de Corea del Sur, que está convirtiéndose en una parte importante de la economía del país. A lo largo del trabajo analizaremos brevemente la historia, el estado actual y las tendencias a través de casos de estudio y análisis DAFO para un entendimiento más amplio de la industria.

El trabajo completo cuenta con cuatro grandes capítulos, uno de ellos introductorio para poner en contexto el país. El segundo, habla de la historia de su turismo, investigando los cambios desde los sesenta hasta la actualidad, incluyendo eventos históricos y fenómenos sociales.

El tercer capítulo presenta las tendencias del turismo de Corea del Sur, enfocándose en algunos de sus principales productos turísticos y observando cómo han cambiado en los últimos años. Basado principalmente en los descubrimientos que nos proporcionan los capítulos anteriores, el cuarto capítulo analiza al completo el sector turístico a través de un análisis DAFO. Siendo el objetivo encontrar los aspectos fundamentales para trazar planes de desarrollo en el turismo.

Finalmente, el estudio desemboca en el último capítulo, que resume, critica y analiza los resultados obtenidos en la investigación, concluyendo con una opinión subjetiva del investigador.

Palabras clave: Turismo temático de seguridad, Ola coreana, DMZ, Programa de Temple-stay, Organización de Turismo de Corea

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## 1. Introduction

The past thirty years have seen the rapid development and diffusion of tourism in many countries. Tourism has brought about changes in ways big and small while contributing to job creation, entrepreneurship, and local economies. It has also helped to diversify income streams and reduce trade deficits (Pololikashvili, Z., 2019). According to the United Nations World Tourism Organization (UNWTO), international tourism generated USD 1.7 trillion in export revenues in 2018, making it the world's third-largest export category behind fuels (USD 2.4 trillion) and chemicals (USD 2.2 trillion). It represents 29% of the world's services exports and 7% of total exports.

It is widely accepted that France and Spain are taking a leading position in international tourism. The 2018 UNWTO annual report indicated that in 2017, they received 86.9 million and 81.8 million international tourist arrivals, respectively. There is no denying that they own a great wealth of tourism assets such as diverse cultural heritage, enticing cuisine, and sun-drenched Mediterranean beaches. Their number of World Heritage sites proves that point; as of January 2020, Spain has a total of 48 UNESCO-listed sites, and France, 45. With an abundance of tourism resources, those European countries continue to attract travelers from every corner of the globe.

On the contrary, here is a country that is appealing to tourists with distinctive tourism products on the other side of the Earth: The Republic of Korea, otherwise called South Korea. Prior investigations have implemented diverse approaches to analyze or evaluate Korea's tourism, focusing on just one or two of its products or resources. So far, however, there has been little comprehensive analysis of its tourism industry. Thus, this paper thoroughly surveys its current state. Further, it explores Korea's emerging types of tourism, such as security-themed tourism and experiential tourism.

Korea was one of the victims of imperialism in the early 20th century when great powers reigned over much of the world. Various cultural assets were vandalized during Japan's occupation of the peninsula (1910-1945). Likewise, colonialism threatened biodiversity; a great many plants and animals vanished from Korea (Books, A., 2009). A clash of ideologies between capitalism and communism led to the outbreak of the Korean War (1950-1953) shortly after its liberation from Japan's colonial rule. As a result, the armed conflict left the Korean peninsula devastated and even divided into two parts: South and North. In the 1970s and 1980s, an apartment construction boom

spread across the nation, fueled by its burgeoning economic growth (Chun, H.S., 2003). Several historical sites disappeared with excessive urban redevelopment (e.g., Pimatgol Alley, Seoul).

Given the evidence as mentioned above, it may be possible to say that Korea is not an attractive country for travelers. Various statistics, however, show the opposite. Korea's Ministry of Culture, Sports and Tourism (MCST) reported that the country exceeded the record for foreign tourist arrivals set in 2019 with 17,250,000th visitor reaching the peninsula, which is 260,000 more than the 2016 annual record. The Ministry informed that it brought in over USD 21 billion in tourism income and created 460,000 jobs. According to the UNWTO World Tourism Barometer released in November 2019, tourist arrivals in Korea grew 16.1% in January-September, compared to the same period in 2018. In contrast, the international growth rate comprised 4%. Furthermore, according to the World Economic Forum (WEF), Korea ranked 16th on the Travel & Tourism Competitiveness Index (TTCI) 2019, jumping three spots from 19th place in 2017.

Unfortunately, little is known about this country, other than the fact that it is still at war with North Korea, or it is just the home country of the "Gangnam Style" singer, PSY. However, South Korea is one of the most economically powerful nations. According to the World Bank (2017), it is the fourth-largest economy in Asia and the 12th largest in the world (GDP of USD 1.5 trillion, in 2017), followed by Spain and Australia. Besides, it is home to world-famous brands such as Samsung, LG, Hyundai, and KIA. Korean-made products have already had a great deal of influence on nearly every aspect of modern life; for example, smartphones, motor vehicles, and miscellaneous household items. Few people know much about Korea as a country, yet they are considerably familiar with its products.

Prior researches such as the Korea Association of Travel Agents (KATA) 2019 survey generally confirmed that more than half of overseas tourists coming to Korea on private trips choose their destination due to Korean popular culture (Chan, B., 2007). 63.3% of free independent travelers (FIT) surveyed by KATA answered that it was the main factor in the decision to visit the country. Korean popular culture, better known as "Korean Wave," includes K-pop (Korean popular music), K-dramas (Korean television series), and K-beauty (Korean skin-care products), to name a few. Korea's cultural exports have been steadily increasing and have helped to enhance the national brand. Korea's soft power is the driving force behind its tourism growth (Bae, E.S. et al., 2017).

Another critical thing to remember, medical tourism makes up a big part of the Korean tourism industry. Korea carried off the "Health and Medical Tourism: Destination of the Year" award, two years in a row—2018 and 2019, in the International Medical Travel Journal (IMTJ).

This high value-added business has been growing by leaps and bounds in recent years. A report issued by the Ministry of Health and Welfare (MOHW) in 2019 indicated that Korea received 380,000 medical tourists in 2018, a 17.8% increase from the previous year. At the same time, it has achieved a growth rate of 529.9% in a decade. China topped the list of arrivals in 2018, representing 31.2%, followed by the United States (11.9%) and Japan (11.2%). The market has maintained an average annual growth rate of 22.7% since 2009.

In conclusion, ever since tourism came under the spotlight in the 1960s as a means of earning foreign currency, many countries have broken into the international tourism market by making use of their cultural and natural resources. On the other hand, it has just been about a decade since Korea's tourism started to see the light of day. The number of tourists coming to Korea has been consistently increasing despite unfavorable conditions such as lack of resources and diplomatic problems. That indicates a need to understand the various factors, as well as its history and development process. This study examines the emerging role of tourism in South Korea and what efforts are underway to keep up with globalization and meet the demand for the tourism industry.

## **2. Objectives**

The two primary purposes of this study are to develop a full understanding of how South Korea's tourism industry has been growing ever since the Korean war and to ascertain what factors are greatly facilitating such growth. This study was conceived during my time studying tourism. As a Korean who was born and raised in Korea, I have witnessed a substantial increase in tourism, which has contributed to the national economy in recent years. It is becoming increasingly difficult to ignore the role of tourism in the Korean economy. In that context, over the past decade, several researchers have examined the tourism industry, but no single study exists which adequately covers all aspects of Korea's tourism.

Those reasons, as mentioned above, have propelled me into an in-depth analysis of the tourism industry, ranging from the development process, tourism products, and resources to the real issues facing Korea's tourism. This study systematically reviews the data for the tourism industry, aiming to provide clarity surrounding its role in the country.



The specific aims are as follows:

- (1) Trace the history of Korea's tourism from the 1960s to the present
- (2) Identify the key elements of Korea's tourism
- (3) Evaluate and define its current status
- (4) Appraise tourism policies, programs, and projects in Korea
- (5) Explore the Korean government's endeavors to lure more foreign visitors

### **3. Methods**

This study follows an exploratory and explanatory case-study design, with an in-depth analysis of what Korea's tourism is made up of, how its development came about, and what it needs to keep growing. I also employed a SWOT matrix to provide both descriptive and interpretive data, and to illuminate internal and external factors that can help to shape strategic direction.

#### **3.1. Research design**

The case-study research design was adopted to investigate Korea's tourism industry thoroughly and to delve into what determinants have encouraged growth and what efforts are going on to secure both its short-term and long-term goals. This research method is widely used to obtain detailed data for specific phenomena, and social units such as programs, events, groups, or actions. It is suitable for situations in which we cannot understand their characteristics without any context or information (Yeom, J. S., 2004).

When it comes to the SWOT matrix, some solutions to existing problems and upcoming challenges were proposed within the framework of the four parameters involved in the analysis. The SWOT analysis stands for the acronym of Strengths, Weaknesses, Opportunities, and Threats analysis. The former two elements are internal attributes we own, whereas the latter are external attributes that we have no control over. This analysis enables us to frame strategies and make better decisions aimed at making the most of our strengths and reducing risk.

### 3.2. Research questions

This study aimed to address six main research questions:

1. What is Korea's tourism made up of?
2. What progress has been made so far?
3. What makes Korea's tourism different from the others?
4. What problems are facing Korea's tourism?
5. What policies, strategies, and projects does Korea's tourism deal with to meet the demand for the industry and to keep up with globalization?
6. What are the short-term and long-term outlooks for Korea's tourism in the international tourism market?

### 3.3. Data collection

The advent of the Internet has brought about a far-reaching change in the way we come by information and sources. Digital sources, coupled with this transformation, have become prevalent and have even jeopardized printed books as of late.

In terms of academic research, it is often suggested that information gathering from hardcovers should be encouraged because of being immune from bias and inaccuracy. That said, all things considered, online searching seems to have the edge over it:

First, the Internet furnishes a great deal of material and information that can barely be found off-line. It does not have space restraints; nowadays, most of us can have Internet access at our homes and even on mobile devices such as smartphones and tablets. It also allows us to consult information from other locations in the world where we cannot easily access.

Second, online search saves us time retrieving information. Now any data we want is just a few mouse clicks away. Besides, it offers various formats, such as audio and video material, which may not be present or comparatively limited in a library collection. Library research, on the other hand, requires a lengthy process to probe all sources, and each library may own different documentation.

Finally, digital sources are updated more frequently and rapidly than printed sources. Printed sources, however, are somewhat limited with regards to recency that has an intimate

bearing on accuracy and reliability. Most academic research, especially on ongoing social issues or phenomena, tends to carefully weigh the most recent statistics to keep track of its constant changes.

For all the reasons above, the main resources were based on the Internet, and they are mainly from the government agencies, official organizations, and documents registered in Google Scholar — the Korea Tourism Organization (KTO), Ministry of Culture, Sports and Tourism (MCST), International Monetary Fund (IMF), and Organization for Economic Co-operation and Development (OECD) to name a few. Furthermore, I amassed a large amount of empirical and statistical data from prior research on the Internet, including statistics compiled from authentic sources such as UNWTO. As for selection criteria, up-to-date information was gathered since it can ensure freshness of content and information reliability. Most of them were published over the past decade.

Prior to the beginning of this study, it is fitting to note that its scope may be too broad. At the same time, it also deals with some information that could admit of multiple interpretations, especially in terms of subjects associated with neighboring countries such as China and Japan (e.g., history and diplomatic relations). Another potential problem the reader should bear in mind is that some of the sources collected come from South Korean organizations, associations, or institutions, which may present a somewhat lopsided view of the contents this study appraises.

## 4. South Korea

**South Korea**, officially known as the **Republic of Korea**, is a democratic republic nation in Northeast Asia, occupying the southern half of the Korean Peninsula. It is one of the most highly industrialized countries; it is Asia's fourth-biggest economy and the world's 12<sup>th</sup>-biggest economy by nominal total GDP (USD 1.629 trillion). The World Bank categorizes the country as a high-income economy. Concerning nominal GDP per capita, it ranked 27<sup>th</sup> in 2019 (USD 31,246), just ahead of Malta and Spain and behind Italy, according to the International Monetary Fund (IMF). Besides, South Korea possesses the world's 14<sup>th</sup> highest purchasing power parity GDP and the 22<sup>nd</sup> highest Human Development Index (HDI).

<b>Table 1. Gross Domestic Product (nominal)</b>		
<b>Rank</b>	<b>Country</b>	<b>GDP (USD million)</b>
1	United States	21,439,453
2	China	14,140,163
3	Japan	5,154,475
4	Germany	3,863,344
5	India	2,935,570
6	United Kingdom	2,743,586
7	France	2,707,074
8	Italy	1,988,636
9	Brazil	1,847,020
10	Canada	1,730,914
11	Russia	1,637,892
<b>12</b>	<b>Republic of Korea</b>	<b>1,629,532</b>
13	Spain	1,397,870
14	Australia	1,376,255

[source: International Monetary Fund (IMF), 2019]

South Korea is one of the countries to have ever moved from being a recipient of international economic aid to a donor assisting developing countries. The state, ravaged by the Korean War (1950-1953), was once even poorer than North Korea before moving ahead with the Heavy Chemical Industrialization Plan (HCI Plan) in 1973. The plan eventually developed the steel, electronics, and shipbuilding industries into the country's largest source of revenue. The republic had achieved rapid economic growth through its export-driven policy and had enjoyed it

until the Asian financial crisis engulfed the whole country in 1997. The crisis compelled the state to request a bailout to the IMF, and therefore, millions of unemployed people and bankrupt companies cropped up one after another.

South Korea, however, overcame the financial crisis in just about three years, which is a relatively short period. Since then, the Korean economy has consistently been growing, although it went through several recessions. Meanwhile, South Korea held different international events to raise its status to where it is today; it hosted the Summer Olympics in 1988, the World cup with Japan in 2002, the G20 summit in 2010, and the Winter Olympics in 2018, as well as the two international expositions in 1993 and 2012 respectively. South Korea is now a member state of various global organizations such as G-20, Organization for Economic Cooperation and Development (OECD), Development Assistance Committee (DAC), and Paris Club.

South Korea is an export-oriented economy, as mentioned earlier. According to the Korea Customs Service (KCS), automobiles, display panels, shipbuilding components, and petroleum-based products are the principal exports, along with semiconductor devices. Korea has cornered almost half the market in semiconductors over three decades; Samsung Electronics, for example, is second to none in the DRAM market, accounting for 75% as of the third quarter of 2019.

<b>Table 2. 2019 South Korea's top 10 export items (% of total exports)</b>	
1. Semiconductors	\$93.94 (billion)
2. Automobiles	\$43.04
3. Petrochemical goods	\$40.65
4. Auto parts	\$22.54
5. Flat panel displays, sensors	\$20.66
6. Synthetic resin	\$20.55
7. Marine vessels, parts	\$20.18
8. Steel plates	\$18.61
9. Wireless telecom devices	\$14.09
10. Plastic products	\$10.29

[source: Ministry of Trade, Industry and Energy (MOTIE); Korea International Trade Association (KITA); Korea Customs Service (KCS)]

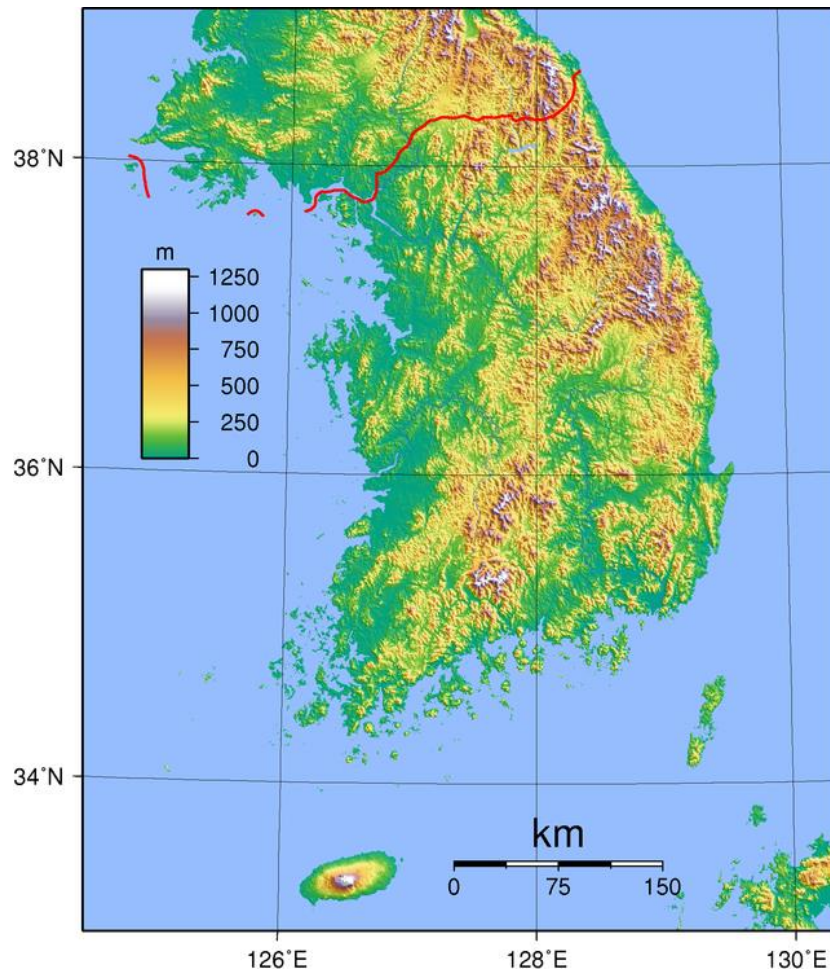
As one of the Four Asian Tigers, South Korea is home to the following multinational conglomerates: Samsung, LG, Hyundai, Kia, SK, and Doosan. They are usually called *chaebols* in South Korea, which means giant conglomerates controlled by a few families. Propelled by the pro-business policies in the 1960s and 1970s, a large number of companies like them started to

take off and ramped up export-oriented activities. Those who ran up huge debts did not ride out the financial crisis of the late 1990s and eventually died off. The remaining family-run conglomerates, on the other hand, have constantly expanded their businesses by setting up affiliates or taking over enterprises to reach where they are today.

There is no gainsaying that they are one of the main factors to have contributed to the explosive economic growth over the past decades and, above all, they have long played a pivotal role in both export and domestic markets. Yet public opinion on them is not always positive; many observe that conglomerate-driven economic growth has given rise to the polarization of wealth and incomes in Korean society. Since the financial crisis in 1997, they have increased their clout all over the country and have become more powerful. The Korean economy has increasingly been relying on them, particularly over a couple of decades. There have been various attempts to reform the economic structure in a bid to lessen dependence on the chaebols. For all that, the Korean economy seems to have not yet gotten out of the conglomerate-led economy system.

#### **4.1. Geography**

The Military Demarcation Line (MDL), which crosses near the 38th parallel, separates North Korea from the South. A four-kilometer-wide buffer zone named the Korean Demilitarized Zone (DMZ), runs along either side of the line, functioning as an actual international land border. The country also borders on the Yellow Sea to the west, the East Sea to the east, and the East China Sea to the south. Considering that the division of Korea does not allow overland access to the Eurasian continent, it could be possible to define it as an island state, especially from a political standpoint (Joo, S. H., 2018).



[source: Sadalmelik (2007)]

Figure 1. South Korea Topography

The Constitution of the Republic of Korea states that all the peninsula is within the South Korean domains. But its current *de facto* sovereignty applies only to south of the Armistice Line. Nowadays, South Korea makes up about 45% of the peninsula's land area, which corresponds to approximately 100,363 km<sup>2</sup>. Over 70% of its terrain consists of hills and peaks; hence the majority of its population dwell in the lowland areas, particularly in the megalopolis of Seoul containing Gyeonggi Province and the port city of Incheon.

## 4.2. Administrative divisions

Administratively, South Korea consists of eight Provinces, six Metropolitan cities (Busan, Incheon, Gwangju, Daejeon, Daegu, and Ulsan), one Special Autonomous city (Sejong), one Special self-governing province (Jeju), and one Special city (Seoul).



[source: Netmaps]

Figure 2. Provinces of South Korea

**Seoul** is the capital of South Korea, and so has it been ever since the foundation of the Joseon dynasty in 1392, except during the Korean War (1950-1953), in which the capital was temporarily relocated to Daejeon, Daegu, and lastly Busan. Seoul is the political, economic, and cultural center of the country. Also, it boasts its unique geographical conditions; various mountains surround it, and the broad Han River runs through its center. Many different mountains, as well as greenbelt and military reservations, take up a significant portion of the Seoul area. That is why multitudinous high-rise apartment buildings dot all around the city where almost half the population lives.



**Busan** is one of the self-governing metropolitan cities that do not belong but have an equal status to any province. It is the biggest port city and the second-largest city in South Korea. **Jeju**, on the other hand, is the country's largest island located off the southern tip of the peninsula. It once was the most popular honeymoon destination in the country up until the turn of the century and has now turned into a thriving vacationland that attracts overseas visitors, especially from China.

**Sejong** is a planned city established in 2012 by the Multifunctional Administrative City (MAC) project to promote regionally balanced development of the country and secure national competitiveness. The project, which officially commenced in 2007, is due for completion in 2030. By then, almost every government ministry and agency of South Korea will relocate into the city, in keeping with the Sejong Urban Master Plan 2030 that the Korean administration drives to push ahead decentralization. It is expected that the town, named in honor of King Sejong (1418-1450), will help to solve the chronic overcrowding of the capital city, as well as to reduce its influence on national governance and economics.

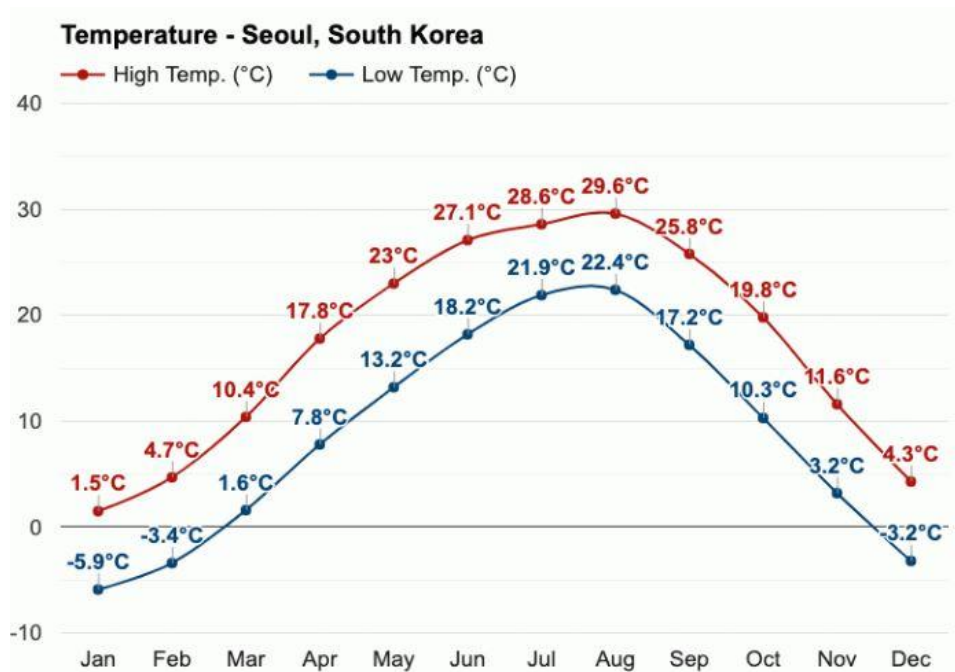
### 4.3. Climate

South Korea has four distinct seasons, although it is roughly on the same latitude as Spain:

- **Spring**, which is as good a season to travel as fall, generally lasts from late March to May. However, as climate change increases in pace, spring tends to be delayed in coming these days. There are wide swings in temperature between day and night, with average highs of 18 °C (64.4 °F) and lows of 7.9 °C (46.2 °F) (Korean Meteorological Administration, 2019). During the spring months, yellow dust from China blows to the Korean Peninsula on the westerlies with fine dust particles that are detrimental to human health and air quality. Cherry blossom festivals, meanwhile, take place all around Korea with cherry trees in full bloom.
- **Summer** is usually stifling hot, with temperatures heading up to 35 °C (95 °F). A rainy season set in with rain and wind in late June and endure until July. As soon as it is over, temperatures soar to average highs of 30 °C (86 °F) with intense humidity. Another thing to note is that an average of three typhoons passes through the peninsula every year, mainly between July and September. They usually form over the western Pacific Ocean and move northward, gaining strength. Some of those cause immeasurable losses of both

life and property. Under a changing climate, their frequency and intensity are increasing as years go by.

- **Fall** may be the most opportune time to travel to Korea since it is neither hot nor cold. It usually starts with a harvest festival named **Hangawi** or **Chuseok** (literally “autumn eve”), which is one of the major traditional holidays in Korea. Although the temperature difference between day and night is more than 10 °C (50 °F) like in springtime, humidity turns into being manageable. Colorful fall leaves turning red and yellow cover the whole country until winter comes.
- **Winter** can be too cold to roam around outside; temperatures fall to as low as -20 °C (-4 °F), especially in some mountainous regions such as Gangwon Province. December through February are the coldest months due to a frigid air mass coming from the north, Siberia. However, in recent years South Korea has experienced a warmer-than-usual winter, with rising temperatures and shrinking snowfall as a result of global warming. The problem is that it threatens winter tourism, not to mention ski resorts that need a massive amount of snowfall to run their businesses. Many resorts have already relied on artificial snow, but even it requires a certain level of cold to last. Above all, it differs in texture from natural equivalent, and therefore, not a few people go abroad to enjoy a genuine winter season.



[source: Weather Atlas]

Figure 3. Average Temperatures in Seoul, South Korea

#### 4.4. Demographics

The country's population now stands at about 51 million in 2020, according to the Korean Statistical Information Service (KOSIS). Most of them are ethnically Koreans speaking the Korean language and tend to share a homogeneous national identity. But lately, the influx of foreigners into the country is rapidly changing its traditional homogeneity. The number of foreign incomers is remarkably increasing; many of them are laborers and students from China, numbering up to 30,000 (KOSIS, 2018). Likewise, there is a large number of blue collars from southeastern Asian countries such as Vietnam, Indonesia, and the Philippines.

Additionally, many people from the Anglosphere are also living in Korea. There are over 250,000 North American-born residents in Korea working in business or teaching the English language at school (Ministry of Justice, 2018), including 28,500 U.S. military personnel stationed on the peninsula. About 30,000 English teachers from English-speaking countries reside temporarily, according to the Korean Immigration Service (2017). Thanks in large part to the government's policy to strengthen English education, there is an increase in the number of instructors coming to teach English with an E-2 teaching visa year after year.

<b>Table 3. The most densely populated cities in the world (2019)</b>			
City	Population density (per square mile)	Population	Square miles
1. Mumbai (India)	76,790	14,350,000	187
2. Kolkata (India)	61,945	12,700,000	205
3. Karachi (Pakistan)	49,000	9,800,000	200
4. Lagos (Nigeria)	47,027	13,400,000	285
5. Shenzhen (China)	44,464	8,000,000	180
6. Seoul-Incheon (South Korea)	43,208	17,500,000	405
7. Taipei (Taiwan)	39,263	5,700,000	145
8. Chennai (India)	37,223	5,950,000	160

[source: 24/7 Wall Street]

The Seoul Metropolitan region with Incheon and Gyeonggi Province, is the world's sixth most densely populated area, with nearly ten million citizens (16,000/km<sup>2</sup>), which is almost twice that of New York City (10,715/km<sup>2</sup>).



[source: Statistics Korea]

Figure 4. South Korea's fertility rate (2018)

However, that seems never to last long, since the urban population is dwindling in recent years due to a national low birth rate of 0.98 children per woman. It is often remarked that it will eventually pose a significant deterrent to the country's further economic growth. Some experts point out that their socio-economic conditions, such as a hostile work environment and a deepening economic decline, force them to put off marriage and childbirth. Alarmed by the trends, South Korea's administration has reacted by carrying out policies such as a childbirth grant program to promote childbearing, but it does not seem to be working well yet.

## 4.5. Language

Korean is the official language of South Korea, as well as North Korea. Over the years, it has been known as one of the Altaic languages, a hypothetical language group containing Turkish and Mongolian. However, it is now primarily classified as a language isolate that has no genealogical relationship with any of them. Korean owns a high number of words derived from Chinese vocabulary; many often learn Chinese characters to build up their vocabulary.

A good amount of loan words from English and other European languages are now widely in use. According to the National Institute of Korean Language, the loan words account for 5.26% of Korean vocabulary, which are 23,196 in total. However, considering that the institute only counts those registered in the Standard Korean Language Dictionary, it may be possible that there are many more words in practice.

Young people demonstrate openness towards using Internet slang, as well as English words. Several older adults, on the other hand, are seriously concerned that they are corrupting the Korean language. The many tend to be reluctant to use Japanese-originated words, regardless of age, for historical reasons. Similarly, their society strongly advises against it in order to clear away all traces of Japanese colonialism. Despite all their efforts to encourage linguistic purism, some Japanese-influenced loan words remain in use in daily life.

Written Korean uses an indigenous alphabet called **Hangul**, invented in 1443 by King Sejong, fourth king of the Joseon dynasty. It is made up of 10 vowels and 14 consonants and has been commended for being one of the most sophisticated writing systems in the world. October 9, in which the king promulgated the alphabet so that all people could easily learn to read and write, is now a national holiday in South Korea to celebrate its creation.

	g	n	d	r	m	b	s	o	j	ch	k	t	p	h
ㅏ a	가 ga	나 na	다 da	라 ra	마 ma	바 ba	사 sa	아 a	자 ja	차 cha	카 ka	타 ta	파 pa	하 ha
ㅑ ya	가 gya	나 nya	다 dya	라 rya	마 mya	바 bya	사 sya	아 ya	자 jya	차 chya	카 kya	타 ty a	파 pya	하 hya
ㅓ eo	거 geo	너 neo	더 deo	러 reo	머 meo	베 beo	서 seo	어 eo	저 jeo	처 cheo	커 keo	터 teo	퍼 peo	허 hya
ㅕ yeo	거 gyeo	너 nyeo	더 dyeo	러 ryeo	머 myeo	베 byeo	서 syeo	어 yeo	저 jyeo	처 chyeo	커 kyeo	터 tyeo	퍼 pyeo	허 hyeo
ㅗ o	고 go	노 no	도 do	로 ro	모 mo	보 bo	소 so	오 o	조 jo	초 cho	코 ko	토 to	포 po	호 ho
ㅛ yo	고 gyo	노 nyo	도 dyo	로 ry o	모 myo	보 byo	소 sya	오 yo	조 jy o	초 chy o	코 kyo	토 tyo	포 pyo	호 hyo
ㅜ u	구 gu	누 nu	두 du	루 ru	무 mu	부 bu	수 su	우 u	주 ju	추 chu	쿠 ku	투 tu	푸 pu	후 hu
ㅠ yu	구 gy u	누 nyu	두 dyu	루 ryu	무 myu	부 byu	수 syu	우 yu	주 jy u	추 chy u	쿠 kyu	투 tyu	푸 pyu	후 hyu
ㅡ eu	게u geu	네u neu	데u deu	레u reu	메u meu	베u beu	세u seu	에u eu	जेu jeu	채u cheu	케u keu	테u teu	페u peu	헤u heu
ㅣ i	기 gi	니 ni	디 di	리 ri	미 mi	비 bi	시 si	이 i	지 ji	치 chi	키 ki	티 ta	피 pi	히 hi
ㅐ ae	개 gae	내 nae	대 dae	래 rae	매 mae	배 bae	새 sae	애 ae	재 jae	채 chae	캐 kae	태 tae	패 pae	해 hae

[source: Meridian Linguistics]

Figure 5. Korean Alphabet

Most Korean students today learn English as a foreign language throughout their entire school careers. Some of them have even been educated in English since preschool. Korean parents spend a substantial amount of money for their children's private English education each year; for instance, they laid out over USD 4.8 billion in 2018, according to the Ministry of Education. Many children whose parents want them to speak English as fluently as native speakers leave the country to study abroad at an early age. Also, many people from all walks of life are wrapped up in learning English because most companies, ranging from conglomerates to small businesses, require fluency in English. Nonetheless, in the EF English proficiency index 2019, Korea ranked 37<sup>th</sup> out of 100 countries with a score of 55.04 (moderate proficiency).

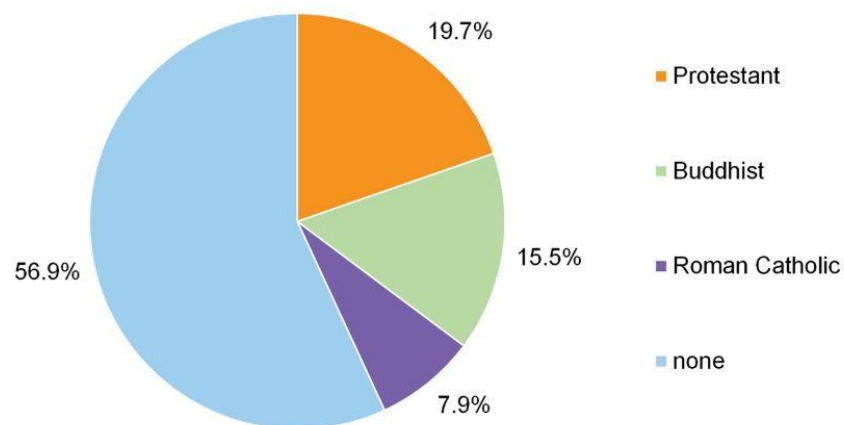
Table 4. EF English Proficiency Index (2019)			
Rank	Country	Score	Proficiency Band
1	Netherlands	70.27	Very High Proficiency
2	Sweden	68.74	Very High Proficiency
3	Norway	67.93	Very High Proficiency
4	Denmark	67.87	Very High Proficiency
5	Singapore	66.82	Very High Proficiency
6	South Africa	65.38	Very High Proficiency

7	Finland	65.34	Very High Proficiency
8	Austria	64.11	Very High Proficiency
⋮			
<b>37</b>	<b>South Korea</b>	<b>55.04</b>	<b>Moderate Proficiency</b>

[source: EF Standard English Test (EFSET)]

## 4.6. Religion

South Korea guarantees the freedom of religion and has no national faith. Out of 51 million Koreans, a little over half of them (56.9%) are atheists or agnostics, according to Statistics Korea (2015). More than half of the rest are Christians (27.6%), consisting of Protestants (19.7%) and Catholics (7.9%). Buddhists also make up a big part of Korean society (15.5%).



[source: Encyclopedia Britannica]

Figure 6. South Korea religious affiliation

**Protestantism** has rapidly spread throughout the peninsula since the end of the Korean War (1953). Presbyterianism and Methodism are the major denominations of the Protestant church in South Korea. The whole country is awash with countless evangelical churches, and half a dozen can accommodate more than 10,000 adherents at once. It is worth noticing that the Protestant church has grown at an unprecedented rate in South Korea in just half a century, and there is no such staunchly Protestant country to be compared with South Korea in Asia.

The **Catholic** church, by contrast, has an even more extended history in Korea. Since several Korean scholars brought it in from China about four centuries ago, its congregation has continuously expanded in number across the country, with the help of Jesuit missionaries. Korea is one of the most strongly Catholic countries in Asia with the Philippines and East Timor.

**Buddhism**, on the other hand, has long since been in the peninsula. It had exerted considerable influence on the entire country until Lee Seong-Gye founded the Joseon dynasty that adopted Confucianism as the political philosophy. In modern times, it seems to have lost ground to burgeoning Christianity. Nevertheless, it still contributes as much as Confucian philosophies to Korean culture in many ways.

**Confucianism**, which is as old as the history of Korea, has taken deep root in Korean culture and society. Nowadays, it is commonly deemed as a philosophy rather than a religion and seems downplayed by Western civilization flooding into the Asian country. But it was the basis of national ethics that had a sort of religious values during the Joseon dynasty (1392-1897). At present, it has permeated all levels of society in the form of secular ethics, custom, and mindset. Ancestor worship is one of its principles that most Korean families, and even atheists, still practice during the traditional Korean holidays though it looks less important than it once was.

Christmas and Buddha's birthday are public holidays in the country. Nowadays, South Korea's judiciary counts them as legal holidays which merely belong to the social convention without any specific religious significance. What is unique regarding the religions in Korea is their religious harmony and hospitality. Unlike elsewhere in the world, they have been getting along quite well for a long time without interrupting one another. Most Koreans are not even antagonistic but tolerant towards any religious minority, including Muslims and Mormons.



## **5. History of South Korea's tourism**

As former U.K. Commons speaker John Bercow once observed, “History is more than the path left by the past. It influences the present and can shape the future.” South Korea, since its independence in 1945, has been growing slowly but steadily in the tourist trade. Korea's tourism industry has gone through ups and downs at the mercy of economic-political shifts, including the Asian financial crisis in 1997 and strained relations with China caused by the Terminal High Altitude Area Defense (THAAD) dispute. This chapter begins by laying out its past events to afford a better understanding of present-day South Korea's tourism and looks at how it has been changing with the times.

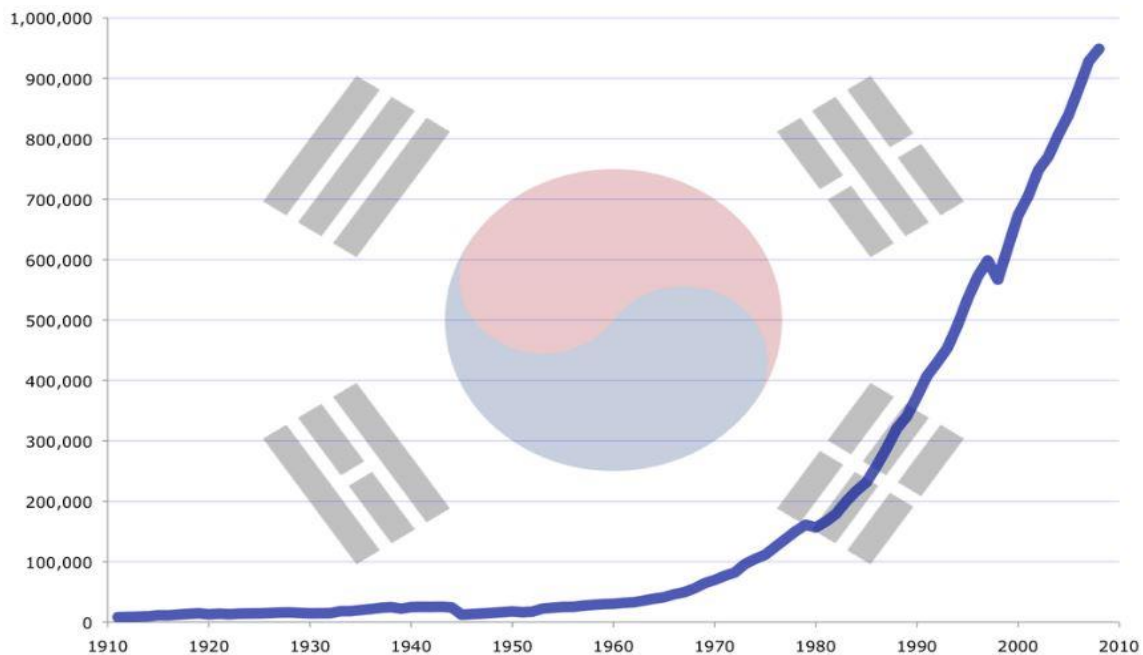
### **5.1. In the 1960s & 1970s**

It was the late 1960s when South Korea began to awake to the importance of the tourism industry. The republic was at a turning point at the time; Park Chung-Hee, who seized power in a military coup in 1961, carried out an economic development project, termed five-year plans so that South Korea could recover from the Korean War (1950-1953) and could become financially self-reliant. The then government was intensely preoccupied with scraping together capital to secure the economic development of the country.

The growth-minded president noticed that tourism is one of the crucial sources of foreign currency. Thus, he enacted the Tourism Promotion Law in 1961 and a year later established the International Tourism Corporation (ITC). His pioneering initiative to foster this lucrative market was not a commercial success at the start since South Korea was then a poverty-stricken nation heavily relied on the U.S. economic aid, and its economy had been moribund immediately after the war. Low-income households and their low awareness of leisure played a role as well. During the 1960s, the government put its back into building up institutional and political infrastructure for tourism.

The 1970s was a decade in which the government's economic plans started working, and South Korea turned from one of the world's most impoverished nations into an emerging economy. It further enhanced the tourism infrastructure, and the level of income increased substantially compared to that of 10 years ago. Regarding transportation, the Seoul Metropolitan Subway opened in 1974, and the Saemaeul train, which ran in 1969 for the first time, enabled

easier access among the cities. The train managed to travel the distance from Seoul to Busan in less than five hours, which was astonishing at the time. It was the fastest class of trains until the start of the KTX (Korea Train Express) operation in 2004.



[source: Wikipedia]

Figure 7. South Korea's GDP growth from 1960 to 2007

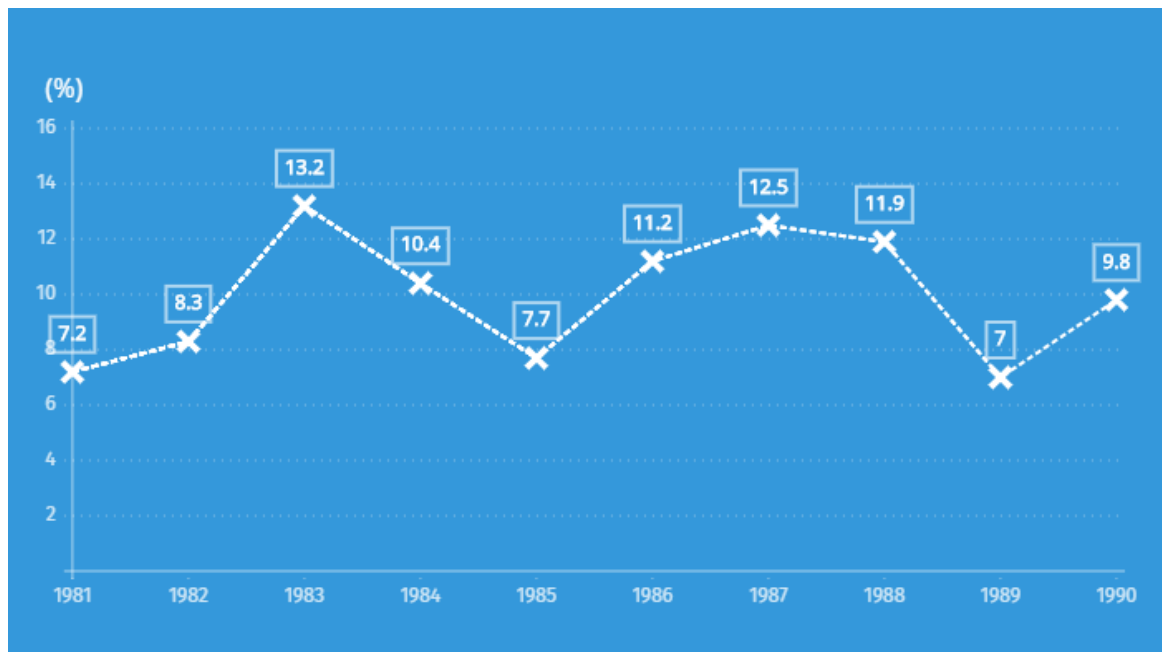
## 5.2. The 1980s

Perhaps, the 1980s, in particular the late 1980s, is the most prosperous period in Korean history. South Korea thoroughly enjoyed an average annual growth of over 11% from 1986 to 1988, a triennium characterized by low oil prices, low-interest rates, and low exchange rates (Magara, H. et al., 2017). Moreover, prices leveled off surprisingly despite the soaring economic growth, and Korea's stock prices skyrocketed with an average annual growth of 77.1% for three years.

With such growth, the craze for possessing personal cars hit the peninsula. As soon as private cars became widespread, many people who had money and leisure time set out to travel all over the country. The then-staple tourist destinations were tourist complex built under the government's tourism policy, such as **Haeundae Beach** (Busan) and **Bulguksa temple** (Gyeongju). In addition to the Busan Metro that opened in 1985, the national rescue services and emergency services commenced in 1981 and 1988, respectively. South Korea also introduced an emergency number system so not only citizens but also foreign visitors could receive help from

them. 119 is a direct-dial emergency number for the fire and ambulance services, and 112, for the police service.

Furthermore, the 1988 Summer Olympics took place in Seoul. It was the first major international event held in South Korea. The global sporting event, which attracted a total of 8,391 athletes representing 160 nations, put South Korea on the map for people around the world. The successful management later helped the country host other global events, including the 2002 FIFA World Cup.



[source: Bank of Korea]

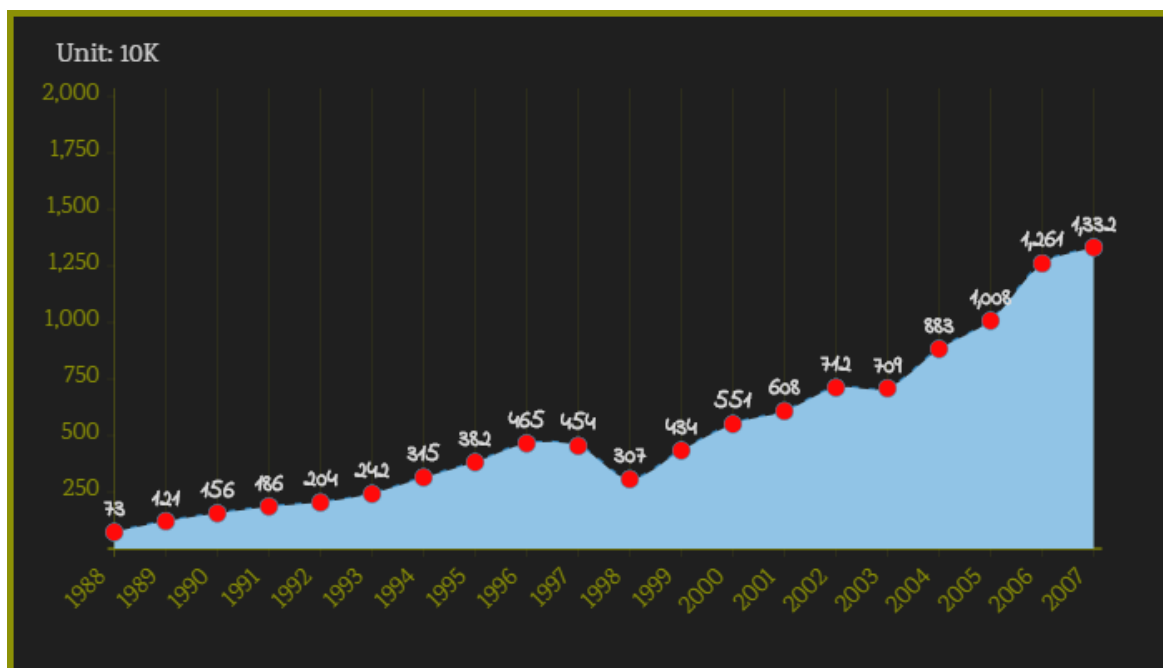
Figure 8. Economic growth 1981-1990

### 5.3. The liberalization on overseas travel in 1983

On January 1, 1983, South Korea's government allowed overseas travel for the first time. Until then, it had resolutely controlled outbound tourism to prevent the outflow of capital from the country (Oh, C. O., 2003). Visa applicants needed specific purposes to go abroad, such as business trips, overseas employment, or study-abroad, and at the very outset, any passport for leisure and sightseeing was not issued. However, the new policy did not imply the complete deregulation of outbound tourism because only those over the age of 50 were eligible to apply for a tourist visa. They had to deposit about USD 1,600 in a bank for a year. Besides, the government did not allow them to enjoy it more than once a year.

The South Korean administration relaxed the eligibility requirements each year and eventually declared the total liberalization of overseas travel in 1989. The 1988 Summer Olympics and resultant globalization materially affected its decision. As the demand for trips abroad increased due to an improvement in standards of living and soaring economic growth, trends in tourism veered towards international tour packages. Travel agencies could not let that opportunity pass them by and scrambled to launch various package tours.

As soon as the new rules went into effect, the number of departures out of the country surpassed the one million mark in 1989 for the first time. It was undergraduates who welcomed the visa the most with open arms; the Korea Tourism Organization (KTO) announced in 1990 that the rate of increase in overseas travel was highest in people in their 20s since the liberalization. They used to go backpacking in Europe or North America during their vacations, and several backpacking travel programs came out to meet their demand. Additionally, many couples fixed on foreign destinations for their honeymoon instead of Jeju Island or Seoraksan National Park.



[source: Korea Tourism Organization]

Figure 9. The number of departures from South Korea (1988-2007)

Despite such trends, most people still considered outbound tourism to be a sort of extravagance. It was too costly to go on a trip abroad at the time. Therefore, the travel itself

reflected badly on everyone leaving the country unless they were low-budget backpackers. Such perception lasted until low-cost package tours appeared in Korea in the 2000s.

## **5.4. The 1990s and 2000s**

In the 1990s, South Korea changed its tourism development policy to enhance the quality of inbound and domestic tourism, in place of expanding physical infrastructure. The government focused on supporting tourism preparedness and promoting tourist attractions in order to stimulate demand for Korea's tourism products.

As the Asian financial crisis broke out in 1997, the tourism industry began to lurch quickly out of the euphoria of the 1980s and 1990s. The administration advised against traveling abroad because of foreign currency reserves and ended up regulating virtually everything involved. Consequently, few people could go travel abroad and loads of travel agencies went bust.

In the 2000s, try as it might, the government could not prevent domestic tourism from stagnating. South Korea's tourism struggled to handle the varying needs of the public. Its infrastructure, however, was behind the times except that of the popular destinations such as Seoul, Busan, and Jeju. Moreover, it had yet to iron out some problems, including rip-off prices and lack of hospitality. The public turned their backs on it completely when low-cost airlines and package tours sprung up. Many a citizen managed to travel to neighboring countries such as Japan and China at an affordable price. As the number of travelers continued to rise, the number of flights also went up. According to the HanaTour travel agency, the number of departures from South Korea amounted to about 13 million, which was the highest in the 2000s.

Another aspect worth mentioning about the 2000s is Korea's popular culture. It could be argued that it is a linchpin to Korea's tourism industry. South Korea's soft power has been proliferating since the turn of the 21<sup>st</sup> century, in which its culture spread to China and Japan for the first time. Its global popularity, led by Korean TV series and popular music, has subsequently extended beyond East and Southeast Asia. Korean inbound tourism has also been able to develop on the strength of the increase in soft power.

Further, the continued growth of low-cost airlines has encouraged such progress, and the railway service improved with the advent of the KTX, Korea's high-speed rail system. The

number of overseas travelers visiting South Korea has consistently increased by around 10% every year. Nonetheless, South Korea has seen its tourism deficit repeatedly due to a soaring number of South Koreans traveling abroad.

When it comes to international sports events, South Korea co-hosted the FIFA World Cup with Japan in 2002. It was the most significant event held in the peninsula after the Olympic Games in 1988. It was also the first tournament that took place outside of Europe and the Americas. It is meaningful to not only the FIFA but also to South Korea because it became the first Asian country to reach the semifinals. Despite several controversies over the refereeing in the soccer tournament, South Korea aroused the interest of the world through the upset.

## 5.5. The 2010s

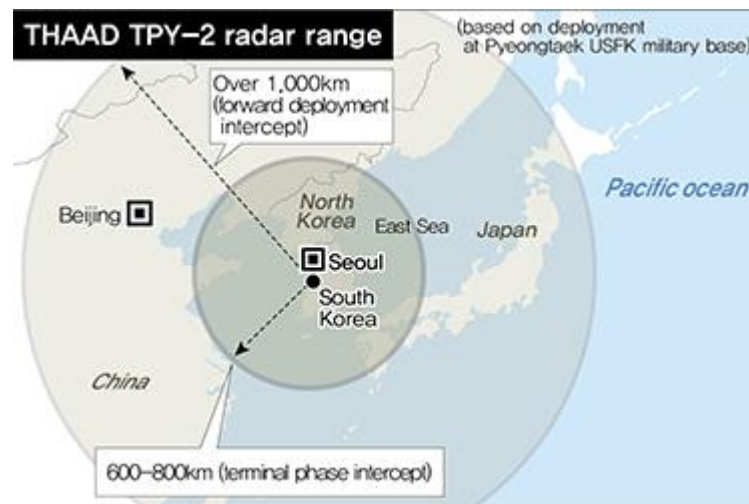
### 5.5.1. THAAD Dispute



[source: Ministry of National Defense (MND)]

Figure 10. Terminal High Altitude Area Defense

In 2016, the previous administration decided to deploy the U.S. Terminal High Altitude Area Defense (THAAD) in the peninsula in response to the North Korean missile threat. China voiced its criticism against it and worried that the defense system could threaten its national security with a radar penetrating Chinese territory, including its capital, Beijing. The Chinese government continued to request that the republic withdraw the THAAD, but South Korea, which has relied on its military alliance with the States since the Korean War, began setting up the anti-missile system in 2017.



[source: Hankyoreh]

Figure 11. THAAD radar range

Thereupon, China announced that it would retaliate economically against South Korea, pointing out that the THAAD is a part of the China-containment policy of the States. Strained political relations paralyzed the Korean economy, especially exports that depended heavily on China. Chinese consumers boycotted Korean-made products, and a sudden ban on Korean popular culture damaged Korea's entertainment market as well. As for tourism, the Chinese government banned group travels to the republic. South Korea suffered heavy losses due to a precipitous drop in the number of Chinese visitors despite an increasing number of travelers from other Asian countries.

### 5.5.2. South Korea-Japan Trade Dispute

In 2019, another dispute blew up. The friction started from the ruling of the Supreme Court of South Korea on redress for forced labor during World War II. To be exact, in late 2018, the Korean High Court ordered Japanese companies to pay reparations to the forced-labor victims during wartime. On July 1, 2019, the Japanese government announced restrictions on the export of chemical materials to South Korea and afterward removed the country from its trade White List. South Korea objected to its decision and immediately took a series of measures against the archipelagic state. The Korean government dropped Japan from its trade list and decided not to renew a military information-sharing pact with the Japanese, so-called General Security of Military Information Agreement (GSOMIA). Although South Korea reversed its military decision on November 22, 2019.

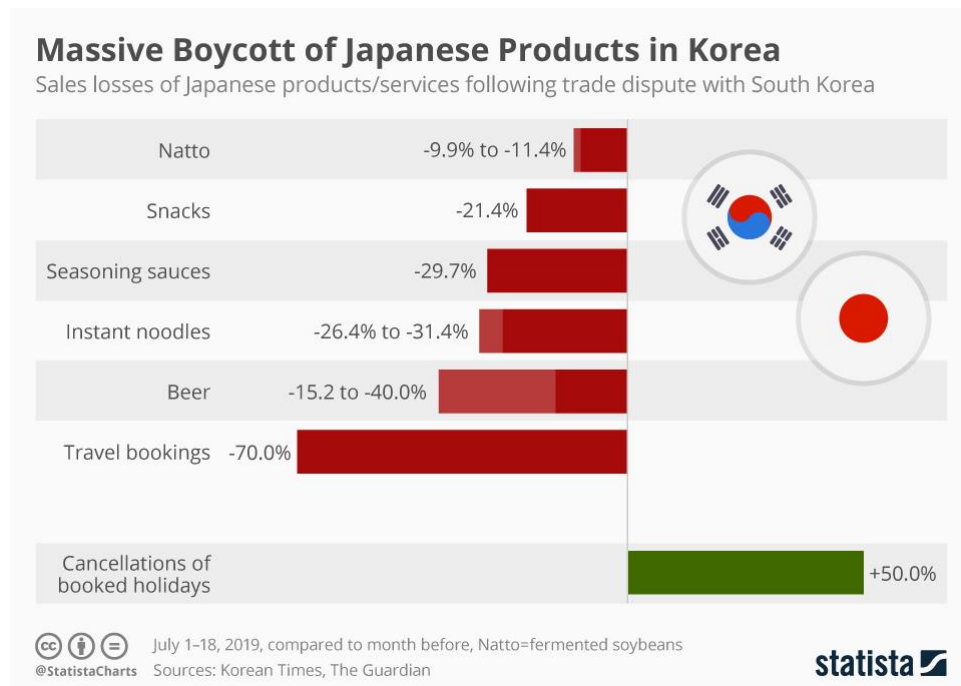


[source: Deutsche Welle]

Figure 12. Geographical naming dispute between South Korea and Japan

Over the past years, there have been disputes between South Korea and Japan about several issues derived from the Japanese occupation of Korea (e.g., the sovereignty of the Liancourt Rocks, geographical naming dispute, and Japan's wartime sexual slavery). However, it was the first time that the tit-for-tat political-economic restrictions have continued for such a long time. Additionally, many Korean citizens have largely boycotted Japanese products and stores and have even refrained from visiting Japan since the outbreak of the conflict.





[source: Korean Times & The Guardian]

Figure 13. Sales losses of Japanese products and services following trade dispute with South Korea

Historically, Japan has been the most demanded destination for South Korean travelers. The number of Korean visitors has increased annually since 2006, in which Japan decided to exempt visa requirements for nationals of South Korea. Crucially, a sharp drop in the yen and expansion of Japan-bound flights allowed many Koreans to travel to the archipelago at a low price. However, the trade war has set off a dramatic fall in arrivals from the peninsula since the summer of 2019. According to Japan Tourism Statistics, there was a 60% drop in Korean tourists in the last five months of 2019, compared to the same period of 2018. The Japan National Tourism Organization (JNTO) announces that in 2019, South Korean visitors decreased by 25.9% from the previous year to 5,584,600, marking the first drop since 2011. Hence, tour operators and travel agencies in South Korea suffered a significant setback, not to speak of Japanese inbound tourism.

## 6. Inbound Tourism Trends in South Korea

Of all the overseas travelers who came to South Korea in 2018, 79% of them visited Seoul, according to the Korea Tourism Organization (KTO). Gyeonggi Province and Busan came next with 14.9% and 14.7%, respectively, followed by Gangwon Province with 9.7% and Jeju Island with 8.5%.

<b>Table 5. The most visited cities in the world (2019)</b>		
<b>Rank</b>	<b>City</b>	<b>Total international visitors (million)</b>
1	Bangkok (Thailand)	22.78
2	Paris (France)	19.10
3	London (United Kingdom)	19.09
4	Dubai (United Arab Emirates)	15.93
5	Singapore (Singapore)	14.67
6	Kuala Lumpur (Malaysia)	13.79
7	New York (United States)	13.60
8	Istanbul (Turkey)	13.40
9	Tokyo (Japan)	12.93
10	Antalya (Turkey)	12.41
11	Seoul (South Korea)	11.25
12	Osaka (Japan)	10.14

[source: Mastercard]

The Mastercard Global Destination Cities Index (GDCI) 2019 ranked Seoul as the 11<sup>th</sup> most visited city in the world, with 11.25 million tourists, behind Antalya (Turkey) and Tokyo. As of 2019, the average length of stay was 5.3 days, which is as long as that of London (5.8 days) and Tokyo (5.4 days). Besides, the average daily spend per tourist was on par with that of

Milan (USD 155) and was more than that of New York (USD 152). As for types of travel, Free Independent Travelers (FITs) were overwhelmingly in the majority, accounting for 79.9%, followed by tour groups with 12.4%.

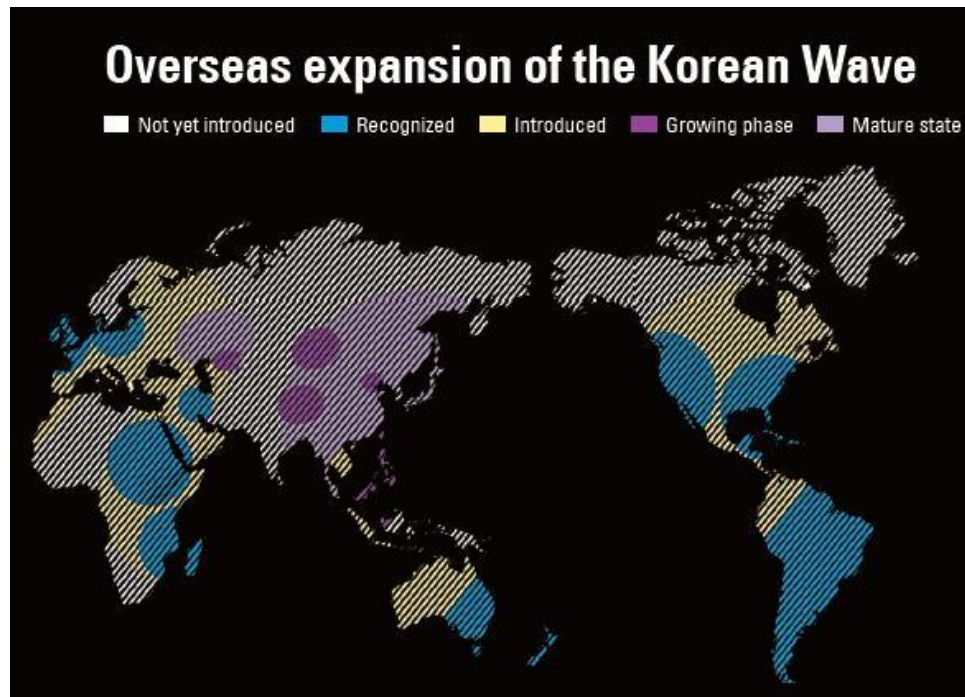
On the other hand, it is worth pointing out that shopping-oriented tourism features prominently in South Korea's tourism industry. It is beyond all question that its shopping infrastructure makes notable contributions to the overall economic development by stimulating consumption. However, there are suggestions that the industry needs to promote its other types of tourism actively. This chapter presents them, focusing on the three types of tourism that have recently come into the spotlight.

## **6.1. The Korean Wave Tourism**

The Korean Wave, also known as **Hallyu** in Korean, refers to the global diffusion of South Korea's popular culture containing music, television series, fashion, and entertainment. And the Korean wave tourism means tourism that participates in activities directly related to Korean popular culture, such as visiting filming locations or attending concerts of artists (Lee, W. H., 2011). In a broad sense, however, it can include those who visit South Korea with their interest in its culture (Bae, E. S. et al., 2017).

### **6.1.1. The global emergence of K-pop**

K-pop refers to Korean popular music, a music genre characterized by synchronized choreography, use of English phrases, and a blend of various music styles. Its modern form came out in the 1990s, generally influenced by Western music genres such as hip pop and electronic music. At first, it used to be compared to Japanese pop (J-pop) in the global music industry, but K-pop surpassed J-pop's popularity in the mid-2000s with an increasing number of fans around Asia.



[source: Korea JoongAng Daily]

Figure 14. Overseas expansion of the Korean Wave (2015)

The popularity of K-pop that was limited to East and Southeast Asia has now expanded far and wide. In the early 2010s, the spread of the Internet and social media, especially YouTube, took it on to the global stage. YouTube has become a place to introduce Korean popular music with reaction videos, dance-cover videos, and lyric translations. And in 2012, Billboard opened up a new chart for K-pop Hot 100 as well as an article column called ‘K-town.’



[source: Wikimedia commons]

Figure 15. Seven-member South Korean boy band, BTS

Based on the soaring popularity of artists like BTS and BLACKPINK, the Korean music market has continuously seen growth in the global music industry. The International Federation of the Phonographic Industry (IFPI) announced that South Korea was one of the fastest-growing music markets and ranked it the 6<sup>th</sup> biggest market in 2018, achieving a 17.9% increase in revenue growth.

Teenagers and young adults, particularly women, comprise a large fan base of Korean artists and, at the same time, are the primary purchasers of such albums. Many Korean groups, so-called idols, have grown into a subculture formed around the world, awakening interest in the country and its language as well as other parts of the Korean wave (e.g., fashion, skincare, and television series.)

### 6.1.2. Korean television series



[source: KoreanDrama.org]

Figure 16. A South Korean television drama series, *Winter Sonata* (2002)

Korean dramas or K-dramas, generally refer to Korean television series in the Korean language. It is safe to say that Korean television series are leading the Korean wave, alongside K-pop. Starting with the surprising success of *Winter Sonata* in 2003 in Japan, they have first

attained popularity across Asia. Now they have spread further through social media and media-services providers like Netflix.

According to the Korea Information Society Development Institute (KISDI), exports of Korean television shows (finished goods) have gone up at an average annual growth rate of 4.3% from 2016 to 2018 and yielded about USD 277 million in 2018. Japan was its largest importer, accounting for over 36% for those three years. The U.S., Taiwan, China, Hong-Kong, and Singapore came next. As of 2016, China was the second-largest country to import, making up around 22.7%, but in 2018 it fell to 2.3% owing to the 2017 dispute over THAAD deployment.

Coupled with K-pop, K-dramas have led to a growing interest in Korean culture, shaping a preference for other Korean products such as food, fashion, and cosmetics (Sung, S. Y., 2008). It could be argued that the entry of K-pop idols into films and series has contributed to it. In the mid-2000s, they started to expand into other areas, especially television shows and movies. Despite harsh criticism for their often-poor acting, it has become common to appear in soap operas since the 2010s. Their frequent appearances have subsequently turned their global fans on to K-dramas.



[source: Netflix]

Figure 17. Netflix's first original Korean series, Kingdom

South Korea has become the third-biggest exporter of television series in the world over the past five years by distributing a total of 32 dramas. Moreover, there is an increasing number of adaptations of Korean movies and series all around the world. (As of 2018, there were 36 remade.)



### 6.1.3. Harnessing the Korean Wave for Tourism

It is not too much to say that its soft power has significant influence over South Korea's tourism industry. According to a survey released in 2019 by the Korea Association of Travel Agents (KATA), 63.3% of independent travelers visited the country to experience its popular culture. Additionally, in 2019 the KTO said that 44.2% of surveyed respondents wanted to visit South Korea for the same reason.

South Korea's government, which recognizes soft power as an essential part of tourism, has invested actively in the popular culture industry since the early 2000s. The Ministry of Culture, Sports and Tourism (MCST) created a division named 'Popular Culture Industry Division' to promote Korea's soft power such as music and television series. The division has a budget of USD 500 million to make the cultural industry worth USD 10 billion by 2019 (Barden, J., 2019).

One of the large Korean entertainment agencies, S.M. Entertainment, offers travel packages for those hoping to attend concerts of their artists and visit locations related to them. Besides, there is an increasing number of foreign tourists visiting filming sites from television series and movies.

'*Winter Sonata*,' one of South Korea's most popular television series, is probably a pioneer in this type of tourism. Nami Island from this show became a popular tourist attraction for overseas visitors, especially those from Japan; in 2005, over 270,000 tourists visited the island (Han, H. J. et al., 2008). Numerous subsequent shows, including 'Descendants of the Sun' (2016), have gained massive popularity across Asia and consequently attracted more foreign travelers.

Until very recently, it seemed that this form of tourism faltered somewhat. But the global success of a seven-member boy band called BTS certainly dispelled the doubt. Their growing popularity has boosted interest in their home country and has contributed to the increasing number of visitors to South Korea. According to the Hyundai Research Institute (HRI), the band was the reason for one in every thirteen tourists visiting the country in 2017.



[source: ChosunBiz]

Figure 18. Air view of Seoul Arena

In order to attract more foreign tourists and make it sustainable, the government is lately working on building the country's first K-pop theme park in northern Seoul. The concerts-only complex, Seoul Arena, is due for completion at the end of 2023 and will be open in 2024, with entertainment facilities such as movie galleries, film studios, and shopping malls. Furthermore, a massive Korean Wave-themed complex is currently under construction in Goyang city, Gyeonggi Province, for completion in December 2020. The theme park called 'K-Culture Valley' will feature six zones based on K-pop, television series, and movies, along with commercial facilities, including hotels and restaurants.



## 6.2. DMZ-related tourism



[source: travel.earth]

Figure 19. Map of the Korean Peninsula with the Demilitarized Zone and the Military Demarcation Line marked

The 240-kilometer-long buffer called the Demilitarized Zone (DMZ) cut across the Korean peninsula, separating the two Koreas. The long-standing tension between them still pervades throughout the zone; endless fences, countless landmines, and armed soldiers standing guard on either side of the border make it more heightened and palpable. Despite such tragedy, it has turned into a new tourist spot for inbound travelers and even for the locals in South Korea.

### **6.2.1. Security-themed tourism**

DMZ tours belong to security-themed tourism. It refers to tourism whose purpose is to explore the historical sites associated with war, death, and disaster. Such tourist sites provide a unique experience for foreign tourists visiting the country while developing the areas involved in the Korean War to make use of as tourism resources (Jeon, H. J., 2016).

Security-themed tourism has quite similar characteristics to dark tourism that is usually in use as a term for this type of tourism in the Western world. They may be the same, but what makes it different from dark tourism is that the military manages it themselves and lead visitors on the tours (Jeon, H. J., 2016). The armed forces, consisting of army, navy, and air force, are in charge of 22 tourism facilities.

The DMZ has suitable conditions for this type of tourism. It is probably the only place that still contains a vestige of the Cold War and shows the tragedy of the division of the Korean peninsula directly. Considering that South and North Korea are now the only actively divided nations in the world due to the differences in ideology and social systems, the DMZ has a symbolic significance for both of them (Lee, C. K., 2005). As an active war zone, it generates genuine suspense amid war threats despite being under a ceasefire for half a century.

Besides, in terms of ecology, the DMZ is of great value as well. It owns an exceptional wealth of species and habitats, most of which are now on the verge of extinction. It is one of the well-preserved areas in the world since it has long remained a no-man's land like the German Green Belt (*Grünes Band Deutschland* in German), the former border between East and West Germany.

As the two inter-Korean summits and Koreas-U.S. DMZ summit took place in a row on the border in 2018 and 2019, the DMZ tours are now in the spotlight once again.

### **6.2.2. Places to visit**

#### **6.2.2.1. Imjingak Peace Park**

It is one of the historical landmarks to show both the horror of war and the prospect of reconciliation. The park owns many statues and monuments related to the Korean War, as well as an open-air theater on a grass hill that can accommodate up to 20,000 people. It was built in

1972 to console displaced persons who could not return to their hometowns due to the division of Korea.

By contrast with Panmunjom, the site of the truce talks, tourists can freely go to the park without going through a complicated procedure for entry. Imjingak, located nearly seven kilometers from the Military Demarcation Line (MDL), is also the first stop of tourists who travel to the western section of the DMZ. For those reasons, it has currently become one of the most visited locations in Gyeonggi Province, attracting more than two million visitors a year. It is open every day from 9 a.m. to 6 p.m. (5 p.m. in winter).

#### 6.2.2.2. Dorasan Station



[source: Korea Tourism Organization]

Figure 20. Dorasan Station

It is a railway station that connects North and South Korea, which is 205 kilometers from Pyongyang, the capital of North Korea, and 56 kilometers from Seoul. However, it is not in service yet but stands as a symbol of hope for the reunification of Korea. The station waits for it with a sign reading, “This is not the last station from the South, but the first station towards the North.”

### 6.2.2.3. Dora Observatory and Dorasan peace park



[source: Wikimedia commons]

Figure 21. Dora Observatory

The 500-person capacity observatory receives visitors on top of Mount Dora. It gives them an excellent opportunity to get a peek at North Korea through binoculars. People can see North Korea's Kaesong city from there, not to speak of its propaganda village, Kijong-dong, consisting of empty buildings.

Dorasan peace park, situated near Dorasan station, is a park that offers an ecological experience of the DMZ, featuring a pond in the shape of the Korean peninsula.

### 6.2.2.4. Third Tunnel of Aggression

It is one of four tunnels of aggression under the southern side of the DMZ. It is well-known that North Korea built the tunnel to carry out a surprise attack on Seoul, although they have continued to deny it. The army of South Korea discovered it in October 1978, four months after the detection of an underground explosion.



[source: Wikipedia]

Figure 22. The Tunnels of aggression

The 1,635-meter-long incomplete tunnel is now one of the most popular tourist sites in Gyeonggi Province. Tourists can reach up to the third border blockade, the end of the tunnel, by walking or using a small tram.

#### 6.2.2.5. Joint Security Area (JSA) and Panmunjom

It is the highlight of any trip to the DMZ beyond doubt. The JSA at Panmunjom serves as a site for diplomatic engagements between the two Koreas, and at the same time, it is the only part of the DMZ in which soldiers from both countries stand guard against each other.

The U.S.-spearheaded United Nations Command (UNC) is in charge of overseeing the southern half of the area, along with South Korea. Besides, Swedish and Swiss delegations are also stationed on the south side as members of the Neutral Nations Supervisory Commission (NNSC).





[source: United States Department of Defense (USDOD)]

Figure 23. Joint Security Area (JSA)

The UNC transferred the security role on the southern side to the army of South Korea in 2004. Therefore, Korean soldiers manage every tour in the JSA, as well as a safety briefing and guides that they provide in English, Japanese, and Chinese.

Civilians and foreign tourists can only visit the JSA with a group tour (more than 30 and less than 45 people). It is indispensable to book at least two months in advance from the website of the National Intelligence Service (NIS). The JSA is open to visitors from 9 a.m. to 5 p.m. They receive a briefing before starting the tour. Also, they must sign a document, which contains as follows: "The visit to the JSA will entail entry into a hostile area and possibility of injury or death as a direct result of enemy action."

The dress code for tourists is quite strict; miniskirts and blue jeans, especially ripped jeans, are not allowed, as well as accessories like necklaces and earrings. However, surprisingly tourists can carry cell phones and can even take photos under the control of guides.

Usually, DMZ tours consist of Dora observatory, Dorasan station, third tunnel of aggression, and the JSA. The guided tours last five or six hours, including the 90-minute JSA visit. In comparison with locals, foreign tourists can enjoy tours easily through travel agencies. Japanese visitors make up a big part of them, and the number of those from China is increasing lately.

### **6.2.3. The current status**

The DMZ is an excellent destination for a short trip in that it is about an hour's drive from Seoul, where most foreign tourists visit. TripAdvisor, an online global travel platform, recommends the DMZ in Paju as one of the must-visit places of South Korea. Most tours that private travel agencies provide consist of one-day or half-day courses.

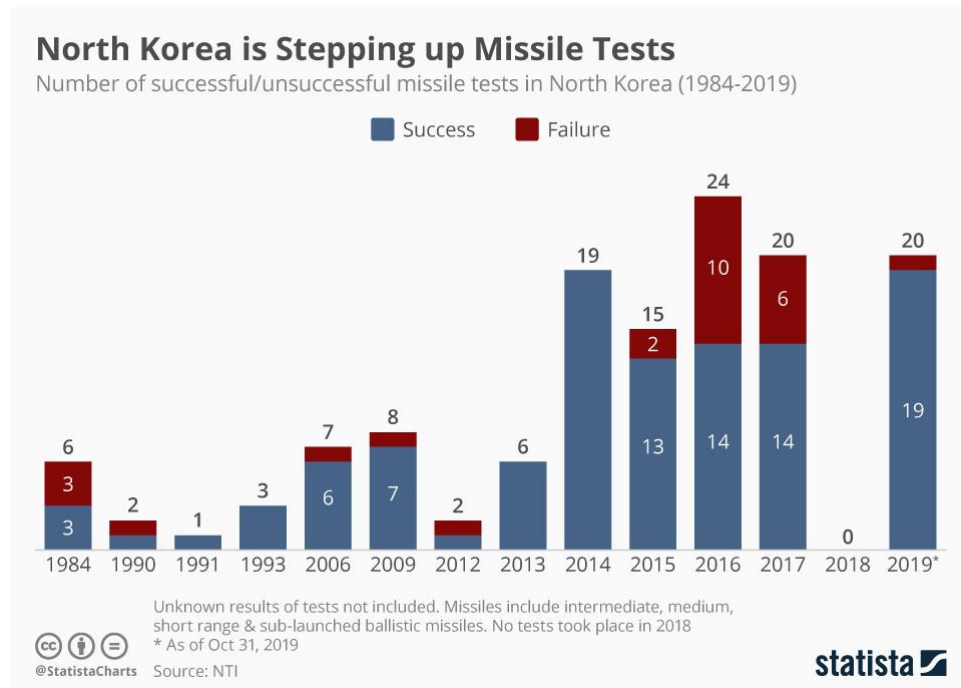
The total number of visitors to the 22 tourism facilities in 2014 topped 3.5 million, an annual average increase of 12.4% over 2010. The number of local visitors rose by 7% to reach 2.6 million compared to 2010, whereas that of foreigners increased considerably by 47.9% from 180,000 in 2010 to 870,000 in 2014. However, the total number has been steadily falling ever since, surprisingly reaching 1.8 million in 2018, according to the MCST.

### **6.2.4. The drawbacks of DMZ-related tourism**

The 2016 report from the Korea Culture and Tourism Institute (KCTI) points out the following factors to have discouraged the development of security-themed tourism:

#### **North Korea's provocations and inter-Korean relations**

North Korea's provocations such as missile test firings can lead to restrictions on tourists' access to the DMZ as well as tightened control of the border, and in turn, suspend all tourism activities in the area. Although such an emergency does not frequently happen, it impinges upon the soundness and consistent growth of DMZ tourism.



[source: Nuclear Threat Initiative]

Figure 24. Number of missile tests in North Korea (1984-2019)

Hwacheon and Cheorwon counties (Gangwon Province) usually allow the entry of tourists into their DMZ for a limited time only, from three to four times a day. Concerning Daesong village, the closest to the border in South Korea, only those who lived before the Korean war and their descendants can move to the town. Thus, DMZ-related tourism has limits to make the most of its resources.

### **Tourists suffer from a lack of necessary infrastructure and amenities**

Such restrictions on the development of tourism products and infrastructure have recently brought about several problems, such as a lack of essential facilities for the convenience of visitors (e.g., restaurants, accommodations, and long-stay tourism products). Moreover, although the DMZ stretches over both Gangwon and Gyeonggi Provinces, most tourists visit the western section of the DMZ in Paju (Gyeonggi Province), which has excellent access to metropolitan areas like Seoul. The MCST observes that about 97% of foreign travelers who visit the DMZ choose Paju's DMZ tours. The KCTI comments that DMZ tourism suffers from a shortage of professionals to take both locals and foreigners through the zone with a wealth of knowledge and experience. Although some regions are well aware of it, they seem to assume the attitude of an onlooker.



## **Promotion and products**

Every governmental organization or local entity should team up with each other to advertise DMZ-related tourism effectively at an international level. The KCTI points out that the organizations, including the Korea Tourism Organization (KTO), have conducted publicity campaigns individually, which is not efficient in many ways. Since the ten border cities tend to give more importance to overall tourism than security-themed tourism, it seems to be hard to maintain a continuous cooperative relationship between the military and the cities to develop DMZ-related resources.

### **6.2.5. New projects for security-themed tourism**

As mentioned earlier, security-themed tourism is facing several problems that have slowed its growth. Adding insult to injury, the number of visitors, mainly local tourists, has been declining since its peak in 2014.

Nonetheless, there always seems to be a way out. The inter-Korean summits and Koreas-U.S. summit held in Panmunjom (JSA) have recently drawn the world's attention to the DMZ. Fueled by such historical events, South Korea President Moon Jae-In declared his intention to improve security-themed tourism, and before long proposed to transform the DMZ into an international peace zone in September 2019.



[source: Newsis]

Figure 25. South Korean president, **Moon Jae-In** and North Korean leader, **Kim Jong-Un** shaking hands at the border (2<sup>nd</sup> inter-Korean summit, April 27, 2018)

South Korea's government is currently going ahead with plans for individual tourism visits to the Joint Security Area (JSA) in Panmunjom by families and other small groups, in an attempt to revitalize its regional economy.

Furthermore, the government is in the process of building an ecology and peace belt around the areas of the DMZ. Its goal is to foster the zone into a world-class tourist attraction and to contribute to the revitalization of the local economy by making use of ecological resources. Gyeonggi and Gangwon provinces and Incheon city are taking part in this project, and it is due for completion in 2022, according to the MCST.



[source: Yeongbae Choe]

Figure 26. Map of Korean DMZ and the proposed DMZ Peace Park area

Another project that the government is pursuing is the so-called ‘**DMZ Peace Trail**,’ which consists of the three routes along the DMZ. The United Nations Command (UNC) that heads military authority in the southern part of the DMZ approved of opening one of them in 2019. Before long, the second route in Cheorwon County (Gangwon Province) opened to the public in June the same year. In line with the plan for the development of border regions (2011), the government plans to join the three tracks into a 551-kilometer-long single by 2022.

### 6.3. Temple Stay Program



[source: Tourtips]

Figure 27. Temple-stay Program

A Temple Stay is an experiential tourism program in which participants can experience the life of monks, ranging from the Korean temple food to various temple culture, for a short period. The major order of Korean Buddhism called ‘Jogye’ designed the program to help people understand Korean Buddhism better by providing several religious activities and ceremonies.

It is within bounds to say that South Korea holds a leading position in temple stay programs. Japan also has something similar, called *Shukubo*, but it just offers accommodations like Ryokan, a type of traditional Japanese inn. Wikipedia, an online encyclopedia, describes the temple stay as a Korean temple culture program. Only Korean temples show up when one looks up the word “temple stay” on Google.

### **6.3.1 History**

As mentioned in the first chapter, Buddhism is the second-largest religion in South Korea. Since it came into the Korean peninsula in 372, it has continuously contributed to Korean society, along with Confucianism. Since 2002, it has been contributing to the Korean tourism industry as well, through temple stay programs.

The program started from several temples to provide accommodations for foreigners and locals who could not find hotels during the FIFA World Cup in 2002. According to the Jogye order, 1,000 foreigners and 10,000 Koreans participated in the program during the 2002 World Cup, from May 31 to June 30. As a result, Korean Buddhism and the program became known to the mainstream media, such as the New York Times, BBC, CNN, and NHK, which visited South Korea for the international soccer event.

The order founded the Cultural Corps of Korean Buddhism (CCKB) on July 16, 2004, to keep on operating the program. Supported by South Korea's government, the number of temples running the program increased from 31 in 2002 to 137 in 2020.

### **6.3.2. Contents**

There are three types of temple stay programs: one-day, experience-oriented, and rest-oriented programs.

#### **One-day temple stay program**

It is an intensive program that the official website of temple stay suggests for those who do not have much time but want to experience Korean temple within a short time. It consists only of major cultural activities such as a temple tour, meditation, and tea ceremony. It usually lasts two or three hours.

**Experience-oriented temple stay program**

It would be the perfect choice for those who are not familiar with Buddhist culture or want to experience this type of program for the first time. Each temple has different program schedules but with the same aim of helping people to attain inner calm and peace of mind and body. A typical program features an overnight stay at a temple, including participation in Buddhist rituals, 108 prostrations, Zen meditation, tea ceremony, as well as monastic meals and making lotus lantern.

**Rest-oriented temple stay program**

It is usually recommended for those who want to get refreshed from their daily life and work pressures. The program focuses on helping participants to rest themselves up at a temple. It gives them more time to spend alone but fewer activities to conduct than other programs.

**6.3.3. The etiquette rules in the program**

Considering that a temple is a holy place for worshipping the Buddha, participants need to know and practice the basic etiquette as follows:

- All participants must not wear skimpy and bright colored clothes, as well as heavy make-up, strong perfume, and excessive accessories
- It is not allowed for men and women to stay together in the same room, not to mention physical affection such as cuddling
- All participants must avoid drink alcohol, eat meat, and even smoke

Besides, participants should greet each other with folded hands, which is called ‘Hap-Jang.’ To be exact, they hold palms together and bow down to greet each other. When walking around the temple, they should put the right hand across the top of the left with their right thumb locked under the left, and placing them near the lower abdomen, according to the CCKB.

#### **6.3.4. The current status**

In 2009, the Organization for Economic Co-operation and Development (OECD) presented the temple stay program as one of the five most successful combinations of culture and tourism and an excellent example of a theme-based tourist attraction.

The annual number of participants surpassed 500,000 for the first time in 2018. The CCKB announced that the number had gone up every year at an average growth rate of 13% from 2002 to 2017, and a total of 4.47 million people participated in the program until 2017 (3.97 million Koreans and 495,000 foreign nationals).

The contents of their programs vary with the season and the interest of participants. Experience-oriented programs normally run on weekends whereas rest-oriented, on weekdays. Many Buddhist temples provide the program not only for locals but also for foreign visitors; 30 temples run the program in English.

The program has recently seen impressive growth in the number of foreign participants. For instance, their number in 2017 represented a 27% increase from the previous year. In 2018, the Jogye order opened five temples for foreign visitors in Gangwon Province, where the Winter Olympics took place; the number of visitors from January to February nearly tripled compared to the same period in 2017, and above all, that of foreign participants soared 25 times higher. A total of 70,520 foreign nationals experienced the program in 2019, according to the CCKB.

Foreign participants prefer the experience-oriented temple stay program, which allows them to experience various Korean traditional culture, according to the CCKB. They usually choose the one-day temple stay option because of their limited time in South Korea, but lately, there is an increase in the number of foreigners staying in a temple for more than a week.

The CCKB is struggling to enhance marketing and diversify the contents of its program, with a goal to receive a total of 100,000 foreign visitors by 2020. The cultural corps have carried out a publicity campaign at an international level in cooperation with the Korean Cultural Center (KCC) while attending various promotional events, including the Hong Kong International Travel Expo (ITE) and International Trade Bourse Asia (Singapore). The CCKB hosted a promotional event to introduce the temple stay program and temple food in Los Angeles, the United States. Moreover, the cultural corps is scheduled to conduct Korean temple food cooking classes as a part of the regular curriculum at the London campus of Le Cordon Bleu, an international culinary school.

In January 2020, the CCKB unveiled plans to attract more participants to the program. The cultural corps will focus on enhancing both the quality and quantity of the program by developing individualized programs for both Korean and foreign visitors.

According to Wonkyung, the head monk of the CCKB, the detailed plans are as follows:

- To create a travel course of temple-stay combined with storytelling at South Korea's UNESCO-registered Buddhist temples such as Haeinsa and Bulguksa.
- To launch a Buddhist tour program in collaboration with the Korea Railroad Corporation (KRC)
- To support several temples specializing culinary programs
- To conduct culinary classes overseas to promote Korean temple food internationally

As of 2020, there are 137 Buddhist temples around the country to operate the temple stay program. The CCKB is now aiming at receiving over 80,000 visitors a year. The head monk of the CCKB said that it would not be easy, but the cultural corps are actively promoting the program overseas by hosting or attending events. Attention is now focusing on whether the temple stay program achieves globalization.

## **7. SWOT analysis**

So far, we have appraised how South Korea's tourism industry has been growing since the Korean war and what determinants have encouraged the growth and development of its tourism in recent years. Based on the findings of the research, this chapter gives a brief SWOT analysis of the tourism industry to come up with solutions to problems facing South Korea and to know about what resources to develop.

### **7.1. Strengths**

#### **7.1.1. The country that never sleeps**

Stores and restaurants are open until 8 or 10 p.m. regardless of the day of the week, season, and holidays. It is quite easy to find stores and restaurants open till late at night, not to mention bars, karaoke, and cyber cafes. Also, the country's largest retailers, such as E-mart and



NH mart, typically open until 10 or 11 p.m. 24-hour convenience stores are anywhere in any city across the country; as of 2019, a total of 44,744 convenience stores exist in South Korea. It is even possible to order delivery food after midnight.

### 7.1.3. Cheap and convenient public transportation

South Korea owns an efficient transportation system that covers the entire country. Tourists can get around the country by public transit at an affordable price. Transport fare, including KTX, is cheaper than other countries, mainly European nations. Above all, the T-money card, with which to pay public transit fares, offers convenient access to all the cities since it allows to transfer from a bus line to another, or from a subway to a bus and vice versa at no extra charge.

According to the 2018 International Visitor Survey conducted by the KTO, 87% of foreign visitors to South Korea expressed satisfaction over public transportation.

### 7.1.4. High-speed Internet

It is quite easy to find public Wi-Fi anywhere in South Korea, which is one of the most wired countries in the world. As the first country in the world to launch 5G commercial services, it owns the world's fastest average Internet connection, according to Akamai Technologies (AKAM). The KTO reported that 87.9% of the foreign respondents of the 2018 survey were satisfied with fast Internet access in South Korea, which was highly useful during their trip.

<b>Table 7. Akamai Q1 2017 Global average connection speed ranking</b>		
Rank	Country/Territory	Average connection speed (Mb/s)
1	South Korea	28.6
2	Norway	23.5
3	Sweden	22.5
4	Hong Kong	21.9
5	Switzerland	21.7
6	Finland	20.5
7	Singapore	20.3
8	Japan	20.2
9	Denmark	20.1
10	United States	18.7

[source: Akamai]

## **7.2. Weaknesses**

### **7.2.1. Tourist destinations overcharging tourists**

Several restaurants and accommodations from tourist destinations, especially summer resorts, still do rip-off visitors. It is considered to be one of the main factors that turn local tourists off domestic tourism. While in high season, they usually double, triple, or even quadruple their price. Besides, the inhospitality that some of them extend to tourists plays a crucial role in putting off visitors. It happens mostly in bathing resorts that have relatively strong seasonality.

However, this is not the 1980s when people were only allowed to travel within the country. With the advent of low-cost airlines, domestic tourist destinations are no longer the sole option available to Korean travelers. That signifies that it cannot choose but vie with new competitors and should undertake measures to keep up with them.

Under the circumstances, it is by no means helpful to jack up prices on services such as restaurants and accommodations in high season. Not every service provider does it, but many Koreans have already held prejudice against them considerably. Now that trips abroad have been growing at a fast clip every year, domestic tourism seems to need to take prompt action against it not to fall behind its competitors. What is certain is that visitors do not want domestic tourism to lift the prices but uplift them during their vacation.

### **7.2.2. Language barrier**

The language barrier seems to be one of the factors holding back growth in nonurban areas in terms of tourism. As mentioned before, South Korea is one of the countries investing much time and money in learning English. Nonetheless, except for the big cities like Seoul and Busan, there are few towns where foreign tourists can easily go sightseeing by themselves due to the language barrier. The tourist information office is probably the only place in which they can receive help in English. That might make free independent travelers hesitate to visit those villages.

Furthermore, while visiting the country, many foreign tourists often face linguistic problems because of the South Korean Romanization system. Romanization is the conversion of

writing from a different writing system like Korean to the Latin script. However, it does not accurately represent Korean sounds. Over a half-century, there were several Romanization systems for Hangul, the Korean alphabet. For instance, South Korea's second-largest city used to be written as both Busan and Pusan. The former is now the official spelling, although the latter is also still used somewhere like in maps or guide books. That often makes foreign visitors confused; many of them think that they are different cities at first. In 2000, South Korea's government adopted a new system called Revised Romanization of Korean to get rid of such a situation. Still, the orthographic confusion remains in road maps, signboards, and government documents.

**Table 8. Romanization of Korean language**

Vowels				Consonants			
Korean	English	Korean	English	Korean	English	Korean	English
ㅏ	a	ㅑ	yeo	ㄱ	g/k	ㅌ	t
ㅓ	eo	ㅕ	yo	ㄴ	n	ㅍ	p
ㅗ	o	ㅠ	yu	ㄷ	d/t	ㅎ	h
ㅜ	u	ㅟ	yae	ㄹ	r/l	ㅋ	kk
ㅡ	eu	ㅚ	ye	ㅁ	m	ㅌ	tt
ㅣ	i	ㅜ	wa	ㅂ	b/p	ㅍ	pp
ㅞ	ae	ㅜ	wae	ㅅ	s	ㅆ	ss
ㅟ	e	ㅟ	wo	ㅇ	ng	ㅈ	jj
ㅠ	oe	ㅠ	we	ㅊ	j		
ㅢ	wi	ㅢ	ui	ㅅ	ch		
ㅤ	ya			ㅋ	k		

### 7.2.3. The attitude of some Koreans toward foreign tourists

There are still strong biases against foreigners in the peninsula. In particular, for historical and political reasons, some Koreans are openly hostile towards Japanese and Chinese. The others, on the other hand, tend to be kind only to Caucasian people, other than any other race. A few storekeepers and taxi drivers overcharge foreign tourists. Some restaurants even offer a different menu board to rip them off.

Racism should not be allowed for whatever reason. Unfortunately, a concept of exclusive ethnicity prevailed among Koreans until the 2000s, and their nation used to be touted as mono-ethnic. Under those circumstances, some of the foreign tourists visiting the country were often treated poorly because of their skin colors.

As globalization has knitted countries closer together, South Korea has been gradually changing from being a nation of one culture to being a place where different cultures can coexist. South Korea's government has steadily conducted campaigns against racism, and the broadcasting media play a role in building and spreading awareness about multicultural families and international residents. Indeed, it is still a long way to go, but this weakness should perish at any cost so that South Korea's tourism can flourish.

#### **7.2.4. Google Maps**

South Korea is one of a few countries in the world where Google Maps does not fully operate. South Korea's government has continuously declined to share any detailed government-supplied map data with Google due to the overt threat of North Korea and its consequent security issues. Besides, the government demanded Google blur sensitive information regarding military facilities. In 2016, a South Korean court found in its favor, establishing that security concerns outweighed the benefits of the company.

Considering that many tourists traveling abroad rely on Google Maps for their travel and navigation, it can be a weakness that needs to be solved for their convenience. They can easily go sightseeing in major cities or popular tourist destinations such as Seoul and Jeju island without the web mapping service. Still, they might have difficulty in traveling to the rest that owns tourism infrastructure constraints.

However, most Koreans usually use Naver Map or Kakao Map that the two largest Korean IT firms, Naver and Kakao, provide. They can be good alternative navigation apps for foreign visitors since the two companies have recently launched an English version so foreigners can easily use them. The problem is that they are still not widely known by those outside the peninsula.

## **7.3. Opportunity**

### **7.3.1. Growth of LCC (Low-Cost Carriers)**

LCC, which stands for low-cost carriers, has seen significant growth worldwide year over year since it entered into the European air transport market in the early 1990s. In the case of South Korea, many low-cost airlines have emerged, starting with T'way Airlines and Jeju Air in 2005. As of 2020, South Korea has seven LCCs, including Jin Air and Air Seoul, which connect various neighboring countries' cities to the peninsula. Moreover, the neighbors' LCCs compete with them — Peach Aviation, Qantas Airways, Spring Airlines, Air Asia, to name a few.

The competition has heated up tremendously in the market over the past decade and has consequently been driving down prices. According to Interpark Tour, a South Korean online travel agency, average overseas plane ticket prices had fallen by 26% for six years, from 2011 to 2016 (USD 611.99 to 452.48). Oceania was the region where the prices fell the most during the same period, from about USD 825 to 547 (-34%). The travel agency observed that intensifying competition caused fares to drop, and as a result, the number of passengers on international flights increased.

### **7.3.2. The increasing number of FITs (Free Independent Travelers)**

On the strength of such a drop in flight prices along with ICT (Information & Communication Technologies) development, the number of free independent travelers, especially those from China, has also been increasing by leaps and bounds. Cosmojin, a South Korean travel agency catering to foreign tourists, posted a 23% rise in the number of FITs who used its services in 2018 from the year before. The travel bureau remarks that many Chinese tourists who visit the country express a preference for going sightseeing to places where they want according to their purpose, instead of tour packages.

That can be an excellent opportunity for South Korea to diversify tourism products and develop regional tourist destinations, which are relatively little known by overseas visitors. According to Young-Duk Choi, a tourism columnist of the Hotel & Restaurants magazine (South Korea), more independent and individual travel is trending among Chinese, with young age groups driving much of the growth and influencing the range of tourism offerings. They are more likely to disperse to regional areas compared to group tours.

### **7.3.3. The effect of the Korean Wave on tourism in South Korea**

As mentioned earlier, Korean popular culture, including music and television series, has a significant role in attracting overseas tourists. According to the Korean Tourism Organization (KTO), the brand awareness and preference toward South Korea's tourism have consistently increased for six years in a row, since 2014. The KTO reports that the Korean wave, especially K-pop, has currently built up positive images of South Korea across the world. As of 2019, its brand awareness increased to 59%, while its brand preference, to 61.9%.

Hence, the foreign tourist number is likely to grow further. In particular, tourists from China have been the key market for South Korea's tourism industry since the 2000s when Korean Wave became enormously popular in the country. Until 2017 when the THAAD deployment dispute arose, massive increases in Chinese tourists kept the overall tourist figures growing, recording 8.07 million arrivals in 2016, which is about seven times more than that in 2010.

## **7.4. Threats**

### **7.4.1. High dependence on China for tourism revenue**

China, as noted above, plays a vital role in underpinning South Korea's tourism sector in terms of sales and the number of visitors. Since the 2000s, it has been the largest inbound tourism market in South Korea. As of 2016, the Chinese made up 46.8% of the tourists visiting South Korea. Despite the THAAD issue with the Chinese government, China still makes a big part of it. The number of its visitors has been on recovery. It reached 4.79 million in 2018, representing an increase of 14.9% from the previous year, according to the KTO.

However, based on the survey released in 2019 by the People's Daily, a Chinese newspaper group, it seems to be hard to affirm that this benefit will last long because of the following aspects:

- The revisit rate and satisfaction level are relatively low

Only 42% of the respondents visited South Korea more than once, and just 43.95% expressed satisfaction with the visit to the country.

- More than half of them visit for shopping

In a multiple-response question about the purpose of their visit, 72.6% of the respondents said that they visited for shopping. Sightseeing in the cities came next at 62.1%. When it comes to Korean souvenirs, 26.4% did not buy any souvenirs. 60.7% of them answered that it was because they were not distinctive.

➤ They prefer visiting Japan to South Korea

China accounts for the most significant percentage of tourists visiting South Korea, whereas South Korea is a significantly less desirable Asian destination for Chinese travelers. According to the survey, Japan was the most preferred destination, accounting for 63.4%, followed by Thailand (51.8%), Hong-Kong (36.5%), and Singapore (29%). Most respondents answered that South Korea's tourism should improve some services such as concerts, food, and sight-doing.

#### **7.4.2. South Korea's strained political relationship with the neighboring countries**

It could be the case that this is one of the perfectly valid reasons to explain the threat that high dependence on a small number of states can bring about. As previously mentioned, it is undeniable that the increasing number of Chinese and Japanese tourists is currently the primary driver of growth in the tourism sector. However, once Korea-China or Korea-Japan relations sour, tourism is more likely to feel its impact strongly than any other industry.

Recently, the tourism sector witnessed a sudden decline in revenue and the number of visitors since the Chinese government allegedly initiated the travel ban to South Korea in the fall of 2016. Chinese arrivals fell by 48.3% in 2017, and it has continued to drop by more than 40% over the past three years. After its all-time high of 8.07 million in 2016, it dropped to 4.17 million in 2017 and 4.79 million in 2018.

Such a high dependence on China poses grave threats to South Korea like the instance mentioned above. It is a double-edged sword. When the two countries deepen ties, it generates considerable benefits. At the opposite extreme is economic havoc.

The excessive reliance on China has proven not to ensure nor entail stability in the tourism sector. South Korea's tourism needs to expand and diversify customer base and revenue streams, away from China, to reduce it and overcome any upcoming tourism retaliation (Seo, M. K., 2017).

## 8. Conclusion

It has been almost 60 years since the Korea Tourism Organization (KTO) was established. For more than half a century, it has seen slow but steady expansion. It has witnessed significant growth in the inbound tourism sector over the last two decades as South Korea's popularity has soared alongside its popular culture. In terms of its outbound tourism, it has experienced incremental growth year by year after the liberalization on overseas travel, as a result of rapid economic growth and the advent of low-cost airlines.

Considering how the country was until the mid-1900s, it has made great strides in tourism. It is hard to say that South Korea has a great number of tourism resources compared to the advanced countries in tourism. In the 2000s, however, it started to gain its position among them by tapping the niche markets such as the DMZ tours and temple stay program. They are so unique that any country cannot easily emulate, which can be a sort of differentiation in terms of marketing.

In the case of DMZ-related tourism, it has some legal, political, and space constraints on development in the area under such specific circumstances. Given that its unique environment offers significant potential for revitalization on the regions, it requires constant cooperation with the country's government, local entities, and the military, to move forward.

Meanwhile, South Korean popular culture is transforming the perception of the country among the neighboring countries. It has become the main driver of tourism to attract foreign tourists to the peninsula. The government is going ahead with the projects to build several Korean Wave-themed complexes so its tourism can go one step further.

As long as the Korean wave continues to attract attention around the world, foreign tourists will visit the country. Now that the number of foreign visitors reached an all-time high of 17.5 million, the tourism industry should focus on targeting its revisit rate by making use of the other products that it owns. Thus, it should first spruce them up, so foreign visitors pay attention to them as much as K-pop and shopping.

As noted earlier, there are several problems that the country should get around in the tourism sector. It needs to zero in on the improvement of the tourism infrastructure, especially that of regional tourism. As the number of free independent travelers increases, it requires



providing more manageable and safer access to the regional destinations for non-Korean speakers. Therefore, it is essential to offer various services in multiple languages, including English, and above all, poor service and overcharging must no longer be acceptable.

Geopolitically, South Korea has always walked a tightrope between the surrounding nations: U.S., Russia, Japan, China, and North Korea. The state often faces embarrassing situations whenever disputes arise among them. Along with its other sectors, tourism had to go through downturns on all such occasions. Considering that it is highly vulnerable to external impacts, its inbound tourism market should avoid relying solely on a few countries' visitors. If anything, it seems desirable to diversify income sources in order to offset the potential damage from economic sanctions.

Last but not least, domestic tourism can probably be a way out of those crises. It can reap benefits while remaining unaffected by them. That can also help keep a balance between inbound and outbound tourism. Indeed, as is frequently pointed out, the development of tourism infrastructure and services should be a priority to attract not only overseas visitors but also the country's residents.

As the number of foreign tourists visiting South Korea, tourism is becoming an increasingly significant portion of its economy. It has made a great deal of progress, although it still seems to have a long way to go before taking rank with the advanced countries in tourism. That does not mean that South Korea never keep up with them. The reverse is true. South Korea has great potential to become as major as the others as it did in the economy. Now that its government unveiled a plan for the development of tourism, the focus is on whether South Korea can make it again.

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## Objetivos

Los dos principales propósitos de este estudio son desarrollar un entendimiento completo sobre cómo la industria del turismo de Corea del Sur ha ido creciendo desde la guerra de Corea y comprobar cuales son los factores que están facilitando este crecimiento. Este estudio se ha llevado a cabo durante mi tiempo estudiando turismo. Como coreano, nacido y criado en allí, he sido testigo de este gran crecimiento, el cual ha contribuido a la economía nacional durante los últimos años. Cada vez se está haciendo más difícil ignorar el papel del turismo en la economía coreana. En este contexto, en la última década, numerosos investigadores han examinado la industria del turismo, pero no existe ningún estudio que cubra adecuadamente todos los aspectos del turismo de Corea.

Estas razones, mencionadas anteriormente, me han impulsado a realizar un análisis profundo sobre la industria del turismo, yendo desde el proceso de desarrollo, los productos turísticos y los recursos para afrontar los verdaderos problemas que enfrenta el turismo de Corea. Este estudio revisa de manera sistemática la información de la industria del turismo, con el objetivo de proporcionar claridad en torno a su papel en el país.

Los objetivos específicos son:

1. Reflejar la historia del turismo de Corea desde el año 1960 hasta la actualidad.
2. Identificar los elementos clave del turismo de Corea.
3. Evaluar y definir su estado actual.
4. Valorar las políticas, programas y proyectos que se han realizado en relación al turismo.
5. Mencionar los esfuerzos del gobierno coreano por atraer a más visitantes extranjeros

## Conclusión

Han pasado casi 60 años desde la creación de la Organización de Turismo de Corea (KTO). Durante más de medio siglo, se ha visto una expansión lenta pero estable. Pero en las últimas dos décadas ha experimentado un crecimiento más notable debido a la gran popularidad que ha ganado el país. En cuanto al turismo emisor, ha experimentado un crecimiento año tras año después de la apertura de viajes internacionales, como resultado del rápido crecimiento económico y el aumento de líneas aéreas de bajo coste.

Considerando como era el país hasta mediados de 1990, ha hecho grandes avances en el turismo. Puede decirse que Corea del Sur no tiene un gran número de recursos turísticos comparado con otros países líderes del sector. Sin embargo, a comienzos del 2000, comenzó a escalar posiciones entre estos países explorando nuevos nichos de mercado a través de programas únicos como los recorridos en la DMZ y el programa de estancia en los templos budistas. Estos programas son tan especiales que pocos países pueden imitarlos, lo que puede ser una característica diferenciadora en términos de marketing.

En el caso del turismo relacionado con la DMZ, tiene algunas restricciones legales, políticas y espaciales bajo el marco de sus circunstancias especiales. Debido al increíble potencial que ofrece su entorno único a las regiones, se requiere la constante cooperación con el gobierno del país, las entidades locales y el ejército para avanzar.

Mientras tanto, la cultura popular de Corea del Sur ha ido transformando su percepción entre los países vecinos. Convirtiéndose en el mayor conductor del turismo para atraer turistas extranjeros a la península. El gobierno está iniciando estrategias en torno a este fenómeno, llamado “ola-coreana”, como complejos turísticos temáticos.

Mientras que “la ola coreana” siga creciendo alrededor del mundo, muchos turistas extranjeros seguirán visitando el país. Ahora que el número de visitantes debido a este fenómeno ha alcanzado la cifra de 17.5 millones, la industria del turismo debería enfocarse en redirigir esta atención a otros de los recursos que posee. Para ello, deberá conseguir que estos recursos sean tan atractivos como la cultura k-pop.

Como se señaló anteriormente, hay varios problemas que el país debería solucionar en el sector del turismo. Necesita concentrarse en la mejora de la infraestructura turística, especialmente la del turismo regional. A medida que aumenta el número de viajeros en solitario

de habla no coreana, es necesario ofrecer mayor información y acceso seguro a otras regiones. Por lo tanto, es esencial ofrecer varios servicios en varios idiomas, incluido el inglés, y sobre todo evitar el mal servicio y los precios sobre elevados hacia los extranjeros.

Geopolíticamente, Corea del Sur siempre ha caminado por la cuerda floja entre las naciones vecinas: Estados Unidos, Rusia, Japón, China y Corea del Norte. El estado se enfrenta habitualmente a situaciones embarazosas cuando surgen disputas entre estos países. Junto con sus otros sectores, el turismo tuvo que pasar por recesiones en todas esas ocasiones. Considerando que es altamente vulnerable a los impactos externos, su mercado de turismo receptor debería evitar depender únicamente de los visitantes de algunos países. En cualquier caso, parece más conveniente diversificar las fuentes de ingresos para compensar los posibles daños ocasionados por sanciones económicas externas.

Por último, pero no menos importante, el turismo doméstico puede ser una forma de salir de ese tipo de crisis. Esto también puede ayudar a mantener un equilibrio entre el turismo entrante y saliente. De hecho, el desarrollo de la infraestructura y los servicios turísticos deben ser una prioridad para atraer no solo visitantes extranjeros si no también los residentes del país.

Debido al aumento del número de turistas extranjeros que visitan Corea del Sur, el turismo se está convirtiendo cada vez más en una parte significativa de su economía. Ha progresado mucho, aunque todavía parece tener un largo camino por recorrer antes de posicionarse entre los países avanzados en turismo. Pero esto no significa que Corea del Sur nunca llegue a alcanzar ese nivel, sino todo lo contrario, Corea del Sur tiene un gran potencial y puede llegar a ser tan importante como los demás, como ya demostró en otros sectores de la economía.